PROPERTY OF UNIVERSITY
OF WASHINGTON LIBRARIES
GRADUATE READING ROOM
NON-CIRCULATING

Foreign Relations of the United States

Diplomatic Papers

1935

(In Four Volumes)

Volume I

General
The Near East and Africa

United States
Government Printing Office
Washington : 1953

DEPARTMENT OF STATE PUBLICATION 4945
DIVISION OF PUBLICATIONS
OFFICE OF PUBLIC AFFAIRS

For sale by the
Superintendent of Documents, U.S. Government Printing Office
Washington 25, D.C. - Price $4.25 (Buckram)

PREFACE

The *Foreign Relations* volumes have been compiled on an annual basis since the publication of diplomatic correspondence which accompanied President Lincoln's first annual message to Congress (December 3, 1861). Originally entitled *Papers Relating to Foreign Affairs Accompanying the Annual Message of the President*, the name of this series was changed in 1870 to *Papers Relating to the Foreign Relations of the United States*, and in 1947 to the present title.

Publication of these volumes, except for the year 1869, has been continuous. In addition to the annual volumes, supplements have also been published, among them the World War Supplements, the Lansing Papers, the special 1918–1919 Russia volumes, the Paris Peace Conference, 1919, series, Japan, 1931–1941, and The Soviet Union, 1933–1939.

The principles which guide the compilation and editing of *Foreign Relations* are stated in Department of State Regulation 045 of May 27, 1949, a revision of the order approved on March 26, 1925, by Mr. Frank B. Kellogg, then Secretary of State. The text of the current regulation is printed below:

045 Documentary Record of United States Foreign Relations

045.1 *Scope of Documentation*

The publication, *Foreign Relations of the United States* constitutes the official public record of United States foreign policy. These volumes include all papers relating to major policies and decisions of the Department in the matter of foreign relations, together with appropriate materials concerning the events and facts which contributed to the formulation of such decisions and policies.

045.2 *Editorial Preparation*

The basic documentary record of American foreign policy in *Foreign Relations of the United States* shall be edited by RE.[1] Documentation shall be substantially complete as regards the files of the Department. However, certain omissions of documents or parts of documents are permissible:

a. To avoid publication of matters which would tend to impede current diplomatic negotiations or other business.
b. To condense the record and avoid repetition of needless details.
c. To preserve the confidence reposed in the Department by other governments and by individuals.

[1] Division of Historical Policy Research.

d. To avoid needless offense to other nationalities or individuals.
e. To eliminate personal opinions presented in despatches and not acted upon by the Department. To this there is one qualification—in connection with major decisions it is desirable, where possible, to show the alternatives presented to the Department when the decision was made.

No deletions shall be made without clearly indicating the place in the text where the deletion occurs.

045.3 *Clearance*

RE shall obtain the following clearances of material for publication in *Foreign Relations of the United States:*

a. Refer to the appropriate policy offices such papers as would appear to require policy clearance.
b. Refer to the appropriate foreign governments requests for permission to print certain documents originating with them which it is desired to publish as part of the diplomatic correspondence of the United States. Without such permission the documents in question will not be used.

The responsibilities of the Division of Historical Policy Research for the preparation of the *Foreign Relations* volumes are entrusted, under the general supervision of the Chief of the Division, G. Bernard Noble, to the Foreign Relations Branch of that Division. The research staff of that Branch is at present organized as follows: Assistant Chief of Division in charge of Foreign Relations Branch (Editor of *Foreign Relations*), E. R. Perkins; Assistant Chief of Branch, Gustave A. Nuermberger; Specialist on the Soviet Union, Rogers P. Churchill; General Section, Matilda F. Axton, Shirley F. Landau; British Commonwealth and Europe Section, N. O. Sappington; Near East and Africa Section, Francis C. Prescott; Far East Section, John G. Reid, Louis E. Gates, Ralph R. Goodwin; American Republics Section, Victor J. Farrar, Kieran J. Carroll.

The Division of Publications is responsible with respect to *Foreign Relations* for the proofreading and editing of copy, the preparation of lists of papers and indexes, and the distribution of printed copies. Under the general direction of the Chief of the Division, Robert L. Thompson, the editorial functions mentioned above are performed by the Foreign Relations Editing Branch in charge of Elizabeth A. Vary.

In keeping with the spirit of the above quoted Department regulation, the research staff is guided in compiling the record by the principles of historical objectivity. It is the rule that there shall be no alteration of the text, no deletions without indicating the place in the text where the deletion is made, no omission of facts which were of major importance in reaching a decision, and that nothing should be omitted with a view to concealing or glossing over what might be regarded by some as a defect of policy. In the selection of papers the editors have attempted to give a substantially complete

record of American foreign policy as contained in the files of the Department of State together with as much background material as possible, while keeping the volumes within reasonable limits with respect to size and number. In the preparation of *Foreign Relations* for the decade preceding World War II special attention has been given to the inclusion of documents of significance with respect to the origins of that conflict.

Beginning with the present volumes for 1935, texts of treaties and executive agreements have been generally omitted and citations for these texts made to the Department of State Treaty Series and Executive Agreement Series and to the Statutes at Large of the United States. The decision to omit these texts was made, after consultation with a group of interested scholars, as a means of conserving space by citing rather than reprinting texts readily available elsewhere. In keeping with this plan, more frequent omission is being made of other documents for which citations can be made to easily available sources.

For 1935 the arrangement of volumes is as follows: Volume I, General, the Near East and Africa; Volume II, The British Commonwealth, Europe; Volume III, The Far East; Volume IV, The American Republics.

The basic research and selection of papers for the 1935 volumes was done, under the direction of the Editor of *Foreign Relations*, mostly by Miss Axton, Messrs. Churchill, Farrar, Nuermberger, Reid, and Sappington of the present staff and by Henry P. Beers, George V. Blue, Elizabeth W. Colvin, Morrison B. Giffen and Lena C. Regan, former staff members.

E. R. PERKINS
Editor of Foreign Relations

OCTOBER 22, 1952.

CONTENTS

Page

PREFACE III

LIST OF PAPERS XI

GENERAL:

The Conference for the Reduction and Limitation of Armaments, Geneva: 1935 phase:

I. Meeting of the Special Committee for the Trade in and Private and State Manufacture of Arms and Implements of War, February 14–April 13, 1935 1

II. First reading of text prepared by the United States (November 20, 1934). 48

III. Closing of the Geneva office of the American Delegation 62

London Naval Conference, 1935 64

The Anglo-German Naval Agreement, June 18, 1935 162

Analyses by American Diplomatic Missions of political events in Europe of special interest to the United States in connection with the maintenance of peace 170

Unfavorable attitude of the Department of State to aid by agencies of the United States in financing sales of war materials to foreign governments 311

Cooperation with the Senate Committee Investigating the Munitions Industry (Nye Committee) in preparation of legislation with respect to neutrality and for the control of traffic in arms 316

Representations by certain foreign governments regarding the Senate Committee Investigating the Munitions Industry (Nye Committee). 360

Status of intergovernmental debts owed the United States by reason of the First World War 374

Rejection by the Senate of the resolution for adherence by the United States to the Statute of the Permanent Court of International Justice. 383

Negotiations for the suppression of liquor smuggling into the United States 390

Attitude of the United States with respect to League of Nations activities in the regulation of traffic in opium and other dangerous drugs . 447

Reconsideration by the Senate of reservation attached to consent to ratification of the Arms Traffic Convention, signed at Geneva, June 17, 1925 453

Representations by foreign governments regarding bills for the deportation of certain alien seamen 461

Opposition by certain foreign governments and by the Department of State to provisions in proposed shipping legislation 468

Representations by certain foreign governments against income tax in the United States on non-resident aliens 481

Inquiry by the Nansen International Office for Refugees concerning the possibility of settling refugees in the United States 496

GENERAL—Continued Page

Inquiries addressed to European governments regarding their possible adherence to the Treaty for the Protection of Artistic and Scientific Institutions and Historic Monuments 502
Negotiations for the establishment of a trans-Atlantic air transport service 510
Supplementary extradition treaties signed between the United States and certain other countries 520
Approval by the Secretary of State of the economic program adopted by the Assembly of the League of Nations, September 28, 1935 . . . 521
Interest of the United States in the work of the Joint Committee for the Study of Compensation and Clearing Agreements, Geneva, March 25, 1935 529
Standard general provisions for trade agreements negotiated under the Act of June 12, 1934 536
Non-applicability of foreign regulations concerning social insurance to employees of American Consulates 550

THE NEAR EAST AND AFRICA:

AFGHANISTAN:
Unsuccessful negotiations between the United States and Afghanistan looking toward a provisional agreement in regard to friendship, diplomatic and consular representation, juridical protection, and commercial relations 555

EGYPT:
Statement by the Department of State relating to the official status of the American Consular Court at Cairo 565
Attempt by the Egyptian Government to obtain a greater degree of equality between the Egyptian and foreign elements in the organization and procedure of the Mixed Courts 567
Reservation by the United States Government regarding the reorganization of the Municipality of Alexandria by unilateral action of the Egyptian Government 577
Decision by the Egyptian Government to participate in sanctions against Italy, without regard to Italy's capitulatory privileges in Egypt 584

ETHIOPIA:
Ethiopian-Italian conflict:
I. Efforts by the League of Nations and by France and the United Kingdom for a peaceful settlement of the dispute between Ethiopia and Italy, January–September, 1935 594
II. Italian invasion of Ethiopia; efforts of the League of Nations and of France and the United Kingdom to end hostilities, October–December, 1935 662
III. Attitude of the United States regarding proposals for invocation of Kellogg Pact and mediation; appeal by the United States to Italy for a peaceful settlement 723
IV. Cancellation by the Standard Vacuum Oil Company of a concession in Ethiopia upon the advice of the Department of State 778
V. Application of the neutrality laws of the United States 784
VI. Refusal of the United States to associate itself with League of Nations sanctions against Italy 836
VII. Protection of American life and property in Ethiopia 876

THE NEAR EAST AND AFRICA—Continued Page

IRAN:
Preliminary discussions respecting a trade agreement between the United States and Iran 909
Reservation of American rights against Iran's attempt by unilateral action to extend its exclusive jurisdiction over coastal waters beyond the three-mile limit 916

LIBERIA:
Recognition by the United States of the administration of President Barclay upon evidence of the Liberian Government's intention to carry out certain reforms 920

MOROCCO:
Objection of the United States to proposed modification of the customs regime in the French Zone of Morocco 951
Negotiations concerning claims and proposed recognition by the United States of the Spanish Zone in Morocco 998
Representations by the United States against discriminatory passport regulations in the Spanish Zone of Morocco. 1018

TURKEY:
Attitude of the United States toward efforts by Turkey to secure revision of the regime of the Straits; consideration of possible agreement with Turkey regarding American navigation rights. . 1026
Policy of the Department of State to encourage multilateral trade rather than to attempt to overcome unfavorable balance of trade with Turkey 1043
Application with respect to Turkey of policy of the United States not to encourage American firms in the sale of arms and munitions of war 1046
Rejection of request of the Turkish Government for assignment of an American Army officer as instructor in the Turkish Air Forces. . 1052
Representations by the Turkish Embassy against filming the novel, "The Forty Days of Musa Dagh". 1053

INDEX 1059

LIST OF PAPERS

(Unless otherwise specified, the correspondence is *from* or *to* officials in the Department of State.)

GENERAL

THE CONFERENCE FOR THE REDUCTION AND LIMITATION OF ARMAMENTS, GENEVA: 1935 PHASE

I. MEETING OF THE SPECIAL COMMITTEE FOR THE TRADE IN AND PRIVATE AND STATE MANUFACTURE OF ARMS AND IMPLEMENTS OF WAR, FEBRUARY 14–APRIL 13, 1935

Date and number	Subject	Page
1935 Jan. 4 (960)	*From the American Adviser (tel.)* Probability that the several committees will meet early in February, and that it seems safe for Hugh Wilson, head of U. S. delegation, to arrive in Geneva by February 1.	1
Jan. 15 (962)	*From the American Adviser (tel.)* Inclination of some delegations to postpone resumption of committee work because of general political negotiations going on elsewhere. Opinion that U. S. delegation should firmly oppose such postponement.	2
Jan. 15 (466)	*To the American Adviser (tel.)* Instructions to point out to Aghnides, Chief of the Disarmament Section of the League, that the United States does not wish to interfere with any major political negotiations but cannot see why simultaneous work of a purely technical nature at Geneva should have this effect.	3
Jan. 16 (467)	*To the American Adviser (tel.)* Instructions to clarify situation by frank talk with Anthony Eden, British Representative on League Council.	3
Jan. 17 (964)	*From the American Adviser (tel.)* Conversation with Eden in which a tentative date for the resumption of committee meetings was set; advice that the French wish to discuss question of trade in arms with Wilson on his way through Paris.	4
Jan. 22 (966)	*From the American Adviser (tel.)* Résumé of the situation resulting from recent Council meeting, with special reference to background for disarmament and anticipated results of the overwhelming vote for Germany in the Saar.	5
Jan. 25 (65)	*From the Ambassador in France (tel.)* From Wilson: Discussion with Massigli, French Assistant Director of Political and Commercial Affairs, and Aubert, French representative of the Special Committee, in respect to advisability of an immediate treaty on manufacture and traffic in arms, and French assurance of cooperation in reaching such treaty.	6
Jan. 29 (969)	*From the American Delegate (tel.)* Report on the technical matters considered at Paris and the tentative solutions; request for instructions in order to prepare amendments to draft text prior to opening of Special Committee meeting.	7

DISARMAMENT CONFERENCE

I. MEETING OF THE SPECIAL COMMITTEE FOR THE TRADE IN AND PRIVATE AND STATE MANUFACTURE OF ARMS AND IMPLEMENTS OF WAR, FEBRUARY 14–APRIL 13, 1935—Continued

Date and number	Subject	Page
1935		
Jan. 31 (468)	*To the American Delegate (tel.)* Inquiry as to changes desired by the French in connection with inspection on the spot for production of civil aviation material.	9
Feb. 1 (970)	*From the American Delegate (tel.)* Uncertainty as to French position in view of seemingly contradictory positions of civilian and air officials.	9
Feb. 2 (971)	*From the American Delegate (tel.)* Forthcoming meeting of the Committee on Miscellaneous Provisions (Bourquin Committee) in which the U. S. draft articles and the Soviet proposals for a permanent peace conference will be discussed.	10
Feb. 12 (109)	*From the American Delegate* Résumé of several conversations with the French on publicity of budget estimates for national defense expenditure.	10
Feb. 14 (975)	*From the American Delegate (tel.)* Unanimous adoption of U. S. draft as basis for discussion at opening session of Special Committee; policy statements by French, British, and Italian delegates.	12
Feb. 14 (976)	*From the American Delegate (tel.)* Advice that British policy statement came as a severe shock to the meeting; Aubert's concern over what he termed a British request for a blank check in regard to German rearmament.	14
Feb. 15 (978)	*From the American Delegate (tel.)* Conclusion of general discussion of American draft which received general support of the delegates; Soviet delegate's statement that any convention controlling the manufacture and trade in arms had little value except as part of a general disarmament convention.	15
Feb. 17 (979)	*From the American Delegate (tel.)* Belief that there is little chance of change in British position; desire of British and French delegates to avoid impression of a head-on collision between France and England.	16
Feb. 18 (980)	*From the American Delegate (tel.)* Postponement by Bourquin Committee of discussion of Soviet proposal for a permanent peace conference until the American draft (chapter 4) has been studied.	17
Feb. 20 (983)	*From the American Delegate (tel.)* Debate in Manufactures Committee on chapter 2 of U. S. draft, in which French and British conceptions of advance publicity were discussed, while the Italian delegate reiterated his country's position on buying arms from nonbelligerents.	17
Feb. 20 (984)	*From the American Delegate (tel.)* Request for Department's observations on despatch No. 109, February 12; Ruspoli's suggestion concerning purchase of arms from nonbelligerents.	18
Feb. 21 (985)	*From the American Delegate (tel.)* Suggestion that article 33 of the 1925 Arms Traffic Convention be considered in connection with Ruspoli's suggestion.	18

DISARMAMENT CONFERENCE

I. MEETING OF THE SPECIAL COMMITTEE FOR THE TRADE IN AND PRIVATE AND STATE MANUFACTURE OF ARMS AND IMPLEMENTS OF WAR, FEBRUARY 14–APRIL 13, 1935—Continued

Date and number	Subject	Page
1935		
Feb. 21 (986)	*From the American Delegate (tel.)* Soviet delegate's reservation, in the Bourquin Committee, of opinion with respect to the establishment of a permanent disarmament commission until importance of the objects to be referred to it should be established.	19
Feb. 22 (987)	*From the American Delegate (tel.)* Proposals by Soviet and British delegates for amendments to chapters 2 and 3 of the U. S. draft.	19
Feb. 22 (988)	*From the American Delegate (tel.)* Termination of preliminary general review except for discussion on "control"; fear of inevitability of French-British head-on collision in detailed discussion of chapters 2 and 4 in subcommittee on manufacture; intention to defend U. S. draft vigorously.	20
Feb. 23 (989)	*From the American Delegate (tel.)* Tentative text of a suggested amendment of article 7, subheads A and B.	21
Feb. 24 (990)	*From the American Delegate (tel.)* Proposed redraft of two paragraphs of article 30 concerning inspection on the spot, and opinion that early presentation of amendment would serve a useful purpose.	21
Feb. 25 (472)	*To the American Delegate (tel.)* Instructions regarding British, Italian, and Soviet proposals, and approval of amendment to article 30.	22
Feb. 26 (473)	*To the American Delegate (tel.)* Suggested amendment to article 2 of draft on shipment of arms and implements of war to belligerents.	24
Feb. 26 (992)	*From the American Delegate (tel.)* Firm stand of the British on limited publicity.	24
Feb. 26 (993)	*From the American Delegate (tel.)* French thesis of automatic and permanent control, stressing importance of adequate publicity and of control on the spot, and British vigorous arguments against any conception of inspection on the spot; general support of draft by Polish, Soviet, Czech, Spanish, and Chinese delegates.	25
Feb. 27 (994)	*From the American Delegate (tel.)* Advisability of U. S. support of a British proposal on prohibition of government credits for export of arms.	26
Feb. 28 (475)	*To the American Delegate (tel.)* Authorization to follow best judgment on matter of British proposal.	27
Feb. 28	*Memorandum by the American Delegate* Conversation with the Japanese Consul General, who objected to equal treatment of state and private manufacture of arms and to inspection on the spot, and who suggested a regional agreement with the United States.	27
Mar. 2 (40)	*To the Ambassador in the United Kingdom (tel.)* Request for analysis of motives for British attitude toward important elements of U. S. draft.	29

DISARMAMENT CONFERENCE

I. Meeting of the Special Committee for the Trade in and Private and State Manufacture of Arms and Implements of War, February 14–April 13, 1935—Continued

Date and number	Subject	Page
1935 Mar. 5 (91)	*From the Chargé in the United Kingdom (tel.)* Simon's explanation of British position on inspection on the spot, and indication that modification of that position is unlikely under present circumstances.	29
Mar. 5 (1000)	*From the American Delegate (tel.)* Opposition to Italian proposal to add two articles of Washington Treaty to chapters 2 and 3 of draft.	30
Mar. 7 (480)	*To the American Delegate (tel.)* Opinion that British objections to inspection on the spot appear to be based on false assumptions, and inquiry as to whether British delegation thoroughly understands scope of inspection proposal.	31
Mar. 7 (482)	*To the American Delegate (tel.)* Instructions on rearrangement of categories IV and V, and approval of position on Washington Treaty articles.	31
Mar. 8 (1003)	*From the American Delegate (tel.)* Résumé of a conversation with British delegation members indicating fundamental reasons for the British stand on inspection.	32
Mar. 9	*From President Roosevelt* Comments on Delegate's No. 1003 of March 8.	33
Mar. 13 (1006)	*From the American Delegate (tel.)* Debate in Technical Committee on rearrangement of categories I, II, and III of draft.	33
Mar. 19 (1017)	*From the American Delegate (tel.)* Strong French representations at London in effort to secure support for the treaty of limited objectives, but failure to alter British viewpoint.	34
Mar. 20 (122)	*From the Chargé in the United Kingdom (tel.)* Summary of a conversation with Eden, who felt there was no chance of any change in British position on inspection; his personal view, however, that a compromise was possible "in some such scheme as the mandate idea".	34
Mar. 21 (1019)	*From the American Delegate (tel.)* Request for instructions as to continuation of arms discussion in view of forthcoming League Council meeting on the German situation.	35
Mar. 21 (1020)	*From the American Delegate (tel.)* French delegate's opinion that naval obligations will cease after 1936 and that Germany and Japan will be free to build as they please; his belief in the efficacy of advance notice of construction to the Permanent Disarmament Commission as a brake upon a naval race.	36
Mar. 22 (488)	*To the American Delegate (tel.)* Authorization to acquiesce in, but not to propose adjournment if it becomes evident that no useful purpose can be served by continuing negotiations.	37

DISARMAMENT CONFERENCE

I. Meeting of the Special Committee for the Trade in and Private and State Manufacture of Arms and Implements of War, February 14–April 13, 1935—Continued

Date and number	Subject	Page
1935 Mar. 27 (1026)	*From the American Delegate (tel.)* Support of U. S. draft by 14 states; British willingness to have automatic and permanent supervision with investigation on the spot in the event of a general convention of limitation; Swiss suggestion of a compromise.	37
Mar. 27 (1027)	*From the American Delegate (tel.)* Information of approaching conclusion of first reading of text, and request for instructions on further procedure.	38
Mar. 28 (490)	*To the American Delegate (tel.)* Instructions concerning preparation of text for the second reading, and continuation of committee work.	39
Mar. 29 (1028)	*From the American Delegate (tel.)* French suggestion concerning the control system, and U. S. delegate's view that suggestion is contrary to the fundamental principle of U. S. draft.	39
Mar. 29 (492)	*To the American Delegate (tel.)* Instructions to inform French delegate that Navy Department is favorable in principle to the idea of advance notice of naval construction.	40
Mar. 29 (1029)	*From the American Delegate (tel.)* Discussion in the Legal Committee of Italian and U. S. amendments relative to suspension of provisions of convention in time of war.	40
Mar. 30 (493)	*To the American Delegate (tel.)* Approval of position taken as reported in No. 1028, March 29.	41
Mar. 30 (494)	*To the American Delegate (tel.)* Instructions relative to maintenance of the provisions of the convention in time of war.	41
Apr. 3 (158)	*From the Ambassador in the United Kingdom (tel.)* Advice that British Government is sympathetic toward French proposal for advance notice of naval construction, but believes that the matter should be postponed for further discussion in naval conference.	42
Apr. 5	*From the Ambassador in the United Kingdom* Opinion that the United States should conform to the British attitude with respect to the French proposal for advance notice of naval construction. British desire for some assurance as to U. S. policy in regard to a 14-inch gun limitation for battleships.	42
Apr. 6 (1347)	*From the Ambassador in the United Kingdom* Account of Stanhope's statement in the House of Lords as to the British position at Geneva.	44
Apr. 10 (1034)	*From the American Delegate (tel.)* Information that the Committee is preparing a draft text which represents the views of the majority and does not depart fundamentally from the U. S. thesis; association of the Japanese with British attitude on quantitative publicity and inspection on the spot.	46

DISARMAMENT CONFERENCE

I. Meeting of the Special Committee for the Trade in and Private and State Manufacture of Arms and Implements of War, February 14–April 13, 1935—Continued

Date and number	Subject	Page
1935 Apr. 13 (1035)	*From the American Delegate (tel.)* Adoption of the draft report by the Committee in Plenary Session, and postponement of the second reading until the governments have had an opportunity to study the proposals.	46

II. First Reading of Text Prepared by the United States (November 20, 1934)

1935 Apr. 15 (112)	*From the American Delegate* Adjournment of the Committee after adoption of report of the first reading of the U. S. draft. Analysis of the Committee's work and its relation to events of major political importance in Europe.	48
Apr. 20 (114)	*From the American Delegate* Summary of conversations with Sir John Simon, Paul-Boncour, and Komarnicki, Chief of Polish delegation; opinion that the United States should seek solution of fundamental differences with the French and British before resumption of disarmament meetings.	51
Apr. 30 (101)	*To the Ambassador in the United Kingdom (tel.)* Advice that U. S. willingness to consider reduction of gun calibers on battleships to 14 inches is conditional on negotiation of a general naval settlement acceptable to the United States; maintenance of opposition to reduction in size of capital ships.	53
June 19 (1045)	*From the American Delegate (tel.)* Probability of a meeting of the Bureau of the Disarmament Conference in September at which the future course of Conference work will be determined.	54
June 28 (294)	*From the Ambassador in the United Kingdom (tel.)* From Hugh Wilson: Confirmation by Henderson, President of the Conference, of Bureau meeting in September, probably followed by a General Commission meeting 10 days later.	55
June 28 (295)	*From the Ambassador in the United Kingdom (tel.)* From Hugh Wilson: Stanhope's suggestion that the British may agree to apply the principle of full publicity on numbers and inspection on the spot *pari passu* with limitation of armament.	55
June 29 (497)	*To the American Delegate (tel.)* Information that Department does not wish to compromise on essential points of draft until there is definite reason to believe that U. S. concessions would result in general acceptance of the convention in the immediate future.	57
July 16 (119)	*From the American Delegate* Discussion of the British suggestion with other delegation members, analysis of the plan in the light of European developments, and suggestion that judgment be withheld for the present.	57

DISARMAMENT CONFERENCE

II. First Reading of Text Prepared by the United States—Continued

Date and number	Subject	Page
1935		
Aug. 1 (121)	*From the American Delegate* Indications that the Bureau will meet in September.	61
Aug. 2	*To the American Delegate* Reiteration of Department's position as expressed in No. 497, June 29, and instructions to express no definite opinion on the British suggestion for the present.	61

III. Closing of the Geneva Office of the American Delegation

1935		
Sept. 2 (1054)	*From the American Delegate (tel.)* Information concerning postponement of Bureau meeting; suggestion that, if Department intends to close delegation office, the present time would be most opportune.	62
Sept. 3 (500)	*To the American Delegate (tel.)* Instructions to release quarters presently occupied by the delegation and to obtain quarters in the building occupied by the Consulate.	63

LONDON NAVAL CONFERENCE, 1935

1935		
Jan. 8	*Memorandum of Meeting in the Office of the Secretary of State With Returned Members of the American Naval Delegation* Summary and analysis of the developments during the preliminary naval conversations in London by Norman Davis, head of the U. S. naval delegation, and discussion of U. S. future naval policy.	64
Mar. 19 (121)	*From the Chargé in the United Kingdom (tel.)* Foreign Office understanding that Japan hopes for a naval conference as early as June, and belief that latest German declaration on armament strength may stiffen Japanese attitude.	66
Mar. 26 (49)	*To the Ambassador in Japan (tel.)* Request for comment on a report that Japan is pressing Germany to ask for restoration of naval strength.	67
Mar. 27 (64)	*From the Ambassador in Japan (tel.)* Indications that the Japanese will insist upon the holding of a conference and that they are intransigent in their stand for parity; lack of information on the German angle.	68
May 31 (1333)	*From the Ambassador in Japan* Observations on a new trend in Japan's naval policy, but indication of unchanged position with regard to naval parity.	68
June 22 (250)	*From the Ambassador in the Soviet Union (tel.)* Advice that the British Ambassador informed Litvinov officially of his Government's intention to call a general naval conference and that the Soviet Government would be invited.	71

LONDON NAVAL CONFERENCE, 1935

Date and number	Subject	Page
1935 June 24 (149)	*To the Ambassador in the United Kingdom (tel.)* Request for confirmation of report that the British Government intends to call a general naval conference and to invite the Soviet Government.	71
June 26 (288)	*From the Ambassador in the United Kingdom (tel.)* British intention to hold a 5-power naval conference, to be preceded by a series of bilateral conversations and possibly by a European naval conference.	71
June 27 (155)	*To the Ambassador in the United Kingdom (tel.)* Opinion that inclusion in any conference called under the Washington or London treaties of one or more non-contracting states would call for prior discussion with the parties to the present naval treaties.	73
July 4 (337)	*From the Chargé in Italy (tel.)* Information from Italian official that Italy would favor a naval accord to include France, the United States, Japan, and Great Britain if the latter agreed to keep out of the Ethiopian question.	74
July 8 (304)	*From the Ambassador in the United Kingdom (tel.)* News report that Germany has communicated details of her naval program direct to the signatories to the Washington and London treaties; inquiry whether the Department has received this information from Germany.	75
July 8 (169)	*To the Ambassador in the United Kingdom (tel.)* Information that the German construction program is being mailed from American Embassy in Berlin.	76
July 9 (309)	*From the Ambassador in the United Kingdom (tel.)* Conversation with Foreign Minister relative to U. S.-British understanding of December 1934 that the U. S. and British Governments would keep each other closely informed on naval matters, especially on any contemplated changes.	76
July 12 (135)	*From the Ambassador in Germany (tel.)* Details of the German construction program, as published in the press; German official's opinion that Japan's objection to German participation in the next naval conference was based on racial reasons.	77
July 13 (182)	*To the Ambassador in the United Kingdom (tel.)* Instructions to emphasize in next interview with Foreign Minister the interrelationship of present European discussions with the general naval problem.	78
July 13 (106)	*To the Ambassador in Japan (tel.)* Inquiry as to confirmation of information that racial reasons account for Japan's opposition to German participation in the naval conference.	79
July 15 (149)	*From the Ambassador in Japan (tel.)* Indication of reasons for Japanese opposition to German participation; advice that there is no confirmation as to the racial factor.	79
July 18 (154)	*From the Ambassador in Japan (tel.)* Conversation with the Foreign Minister, who said that unless there was some definite prospect of concluding a naval treaty this year he thought it much better to leave matters in abeyance.	79

LONDON NAVAL CONFERENCE, 1935

Date and number	Subject	Page
1935		
July 23 (193)	*To the Ambassador in the United Kingdom (tel.)* Request for analysis and comment on the announcement made in the House of Commons by the First Lord of the Admiralty regarding the abandonment of the ratio method of naval limitation, as the announcement seems not to be in conformity with understanding of December 1934.	80
July 25 (333)	*From the Ambassador in the United Kingdom (tel.)* Information from an Admiralty official that the First Lord's statement was intended to be in conformity with the previous understanding, and not to indicate any change in British naval policy.	81
July 29 (341)	*From the Ambassador in the United Kingdom (tel.)* Conversation with the Foreign Secretary concerning desirability of full interchange of information, and U. S. interest in receiving data on the proposed German naval program up to 1942; British memorandum (text printed) giving résumé of naval situation and British position.	82
Aug. 7	*Memorandum by Mr. Noel H. Field of the Division of Western European Affairs* Meeting of officials of the State and Navy Departments at the request of Norman Davis with a view to clearing up the principal differences with the British before entering a naval conference.	85
Aug. 9 (359)	*From the Chargé in the United Kingdom (tel.)* Copy of a British memorandum (text printed) handed to French and Italian representatives, outlining specific considerations which the British wish to raise in bilateral conversations prior to a general naval conference.	87
Aug. 10 (361)	*From the Chargé in the United Kingdom (tel.)* Advice that a copy of the British memorandum was also given to the Japanese Chargé and that Foreign Office asked both the U. S. and Japanese Chargés to regard contents as confidential between Governments.	90
Aug. 14 (211)	*To the Chargé in the United Kingdom (tel.)* Instructions to leave at Foreign Office a memorandum indicating certain divergencies of U. S. and British views, and suggesting informal conversations prior to naval conference in order to reach more nearly a community of views. (Footnote: Memorandum dated August 17 left at Foreign Office.)	91
Aug. 16 (374)	*From the Chargé in the United Kingdom (tel.)* Ambiguous Foreign Office replies to inquiries of press correspondents concerning British issuance of invitations to a London naval conference in October.	92
Aug. 16 (215)	*To the Chargé in the United Kingdom (tel.)* Secretary's reply to inquiries at press conference that no invitation has been received from the British Government for an informal conference in October.	93
Aug. 17 (377)	*From the Chargé in the United Kingdom (tel.)* Foreign Office explanation of situation reported in telegram No. 374, August 16, and outline of scope of proposed multilateral naval discussions in October.	93

LONDON NAVAL CONFERENCE, 1935

Date and number	Subject	Page
1935 Aug. 17 (216)	*To the Chargé in the United Kingdom (tel.)* Instructions to ascertain whether the British, in seeking qualitative without quantitative limitation, have obtained information to the effect that the Japanese have modified their position as expressed in 1934.	94
Aug. 19 (336)	*To the Ambassador in France (tel.)* French Ambassador's advice that France has made a reply to the British memorandum of August 2; instructions to seek further information from Foreign Office.	94
Aug. 20 (2104)	*From the Chargé in France* Copy of the French reply, dated August 14 (text printed), to the British memorandum of August 2.	95
Aug. 21 (386)	*From the Chargé in the United Kingdom (tel.)* Résumé of a discussion with Craigie of U. S. memorandum based on Department's No. 211, August 14; and British favorable attitude in regard to an informal exchange of views with the U. S. Embassy.	97
Aug. 22 (722)	*From the Chargé in France (tel.)* Summary of a conversation with French officials concerning their viewpoint on naval questions with reference to their reply to the British memorandum.	99
Aug. 26 (402)	*From the Chargé in the United Kingdom (tel.)* Foreign Office receipt of a negative Japanese note in regard to the British memorandum; British inquiry whether U. S. memorandum may be made available to Japan, France, and the press.	99
Aug. 26 (229)	*To the Chargé in the United Kingdom (tel.)* Reasons why Department considers it inadvisable to give text of U. S. memorandum to the press or to other governments.	100
Aug. 27 (406)	*From the Chargé in the United Kingdom (tel.)* Opinion that Japanese *aide-mémoire* and French failure to set date for bilateral conversations add to the unreality of British plans for holding an other than *pro forma* naval conference.	101
Undated	*From the Japanese Embassy in the United Kingdom to the British Foreign Office* *Aide-mémoire* relative to the British memorandum of August 2, indicating Japan's unchanged position on naval limitation.	102
Aug. 27 (407)	*From the Chargé in the United Kingdom (tel.)* Report on outline of Department's No. 229 of August 26 to Foreign Office; résumé of attitudes of other Governments as to publicity of their replies to British memorandum. Advice that U. S. memorandum will be regarded by the British as a "précis of conversation" and will not be publicized.	102
Aug. 27 (230)	*To the Chargé in the United Kingdom (tel.)* Indication that Chargé's report in telegram No. 407 is eminently satisfactory.	103
Aug. 28 (348)	*To the Chargé in France (tel.)* Substance of conversation with member of the French Embassy, who inquired as to U. S. views on the present naval situation.	103

LONDON NAVAL CONFERENCE, 1935

Date and number	Subject	Page
1935		
Aug. 29 (352)	*To the Chargé in France (tel.)* Instructions for discussing subject matter of Department's No. 348 of August 28 with Foreign Office.	105
Aug. 30 (1280)	*From the Chargé in Italy* Copy of the Italian reply, dated August 27 (text printed), to the British memorandum of August 2.	105
Sept. 12 (435)	*From the Chargé in the United Kingdom (tel.)* British *aide-mémoire* on naval disarmament (text printed), also to be regarded as a précis of conversation with Craigie.	107
Sept. 12 (439)	*From the Chargé in the United Kingdom (tel.)* Résumé of the conversation with Craigie when he transmitted the *aide-mémoire;* his observation that this year offers the last occasion for holding a naval conference under existing naval treaties.	109
Sept. 14	*Memorandum of Conversation, by Mr. Noel H. Field of the Division of Western European Affairs* Discussion of the latest British suggestions on naval disarmament by officials of the State and Navy Departments, and decision that the Navy Department would prepare instructions for the Naval Attaché in London as basis for the informal conversations with the British Admiralty.	110
Sept. 17	*Memorandum by Mr. Noel H. Field of the Division of Western European Affairs* Conversation with Norman Davis, who gave the substance of a talk he had had with President Roosevelt on the naval situation.	112
Sept. 19 (261)	*To the Chargé in the United Kingdom (tel.)* Authorization to enter into informal discussions with the British; instructions from State and Navy Departments.	113
Sept. 27 (475)	*From the Ambassador in the United Kingdom (tel.)* First exchange of views; Foreign Office denial of press reports indicating British intention to invoke the escalator clause.	115
Sept. 27 (478)	*From the Ambassador in the United Kingdom (tel.)* Résumé of informal discussions on capital ships.	116
Sept. 27 (271)	*To the Ambassador in the United Kingdom (tel.)* Remarks made at press conference summarizing developments in the naval situation to date.	118
Sept. 28 (482)	*From the Ambassador in the United Kingdom (tel.)* Supplementary information on discussions on capital ships.	119
Sept. 30 (277)	*To the Ambassador in the United Kingdom (tel.)* Opinion that President Roosevelt's proposal for a 20% tonnage reduction is not a subject for discussion at the present stage. Inquiry in connection with 14-inch guns on capital ships.	119
Oct. 1 (485)	*From the Ambassador in the United Kingdom (tel.)* Account of further discussions with the British on naval limitation.	120
Oct. 1 (486)	*From the Ambassador in the United Kingdom (tel.)* Advice that no appointment has been made for further conversations pending instructions. Comments in reply to Department's No. 277, September 30.	122

LONDON NAVAL CONFERENCE, 1935

Date and number	Subject	Page
1935		
Oct. 10 (508)	*From the Ambassador in the United Kingdom (tel.)* Résumé of discussion with Craigie on capital ships; Italian intention to send delegates for bilateral talks with the British.	123
Oct. 11 (511)	*From the Ambassador in the United Kingdom (tel.)* Information that the Japanese Ambassador would not return to London in time to head the Japanese delegation at a naval conference if Japan accepted the invitation; Craigie's statement pertaining to the British position on qualitative and quantitative limitation.	125
Oct. 14 (300)	*To the Ambassador in the United Kingdom (tel.)* Analysis and conclusive statement, prepared by the Navy Department (text printed), based on the reports of the London conversations; instructions to present substance in direct terms to the British as final U. S. position.	125
Oct. 16 (303)	*To the Ambassador in the United Kingdom (tel.)* From Navy Department: Clarification of a sentence in No. 300, October 14, in reply to inquiry.	127
Oct. 17 (522)	*From the Ambassador in the United Kingdom (tel.)* British satisfaction at receiving statement based on Department's No. 300 of October 14; information that précis of conversation was left and that reply will be given shortly.	127
Oct. 18	*Memorandum by the Secretary of State* Conversation with the Japanese Ambassador, who brought a copy of a Japanese statement to the British Government on naval disarmament (text printed).	128
Oct. 24 (535)	*From the Ambassador in the United Kingdom (tel.)* Receipt of official invitation from British Government (excerpt printed) to a general naval conference in December; information that invitations were issued to all the treaty powers.	129
Oct. 24 (313)	*To the Ambassador in the United Kingdom (tel.)* Instructions to inform the British Government of U. S. acceptance of the invitation.	130
Oct. 24 (315)	*To the Ambassador in the United Kingdom (tel.)* Instructions to inform the British that U. S. acceptance of invitation is based on the assumption that the British agreed to U. S. position set forth in Department's No. 300 of October 14, and to the principle of naval parity as between the United States and the British Empire.	130
Oct. 25 (536)	*From the Ambassador in the United Kingdom (tel.)* Intention to answer British invitation by a formal note and to convey orally the substance of Department's 315, October 24.	130
Oct. 25 (316)	*To the Ambassador in the United Kingdom (tel.)* Instructions to indicate Department's desire to clarify the situation with regard to the bases of agreement in No. 300, October 14, and No. 315, October 24, before formal acceptance of invitation.	131

LONDON NAVAL CONFERENCE, 1935

Date and number	Subject	Page
1935		
Oct. 25 (317)	*From President Roosevelt to the Ambassador in the United Kingdom (tel.)* Request for information regarding the plan for representation of each nation at the Naval Conference solely by its Ambassador in London, and inquiry as to British agreement to the stipulations in Nos. 300, October 14, and 315, October 24, prior to U. S. acceptance.	131
Oct. 28 (541)	*From the Ambassador in the United Kingdom (tel.)* British précis of conversation (text printed) in reply to U. S. précis based on Department's No. 300, October 14, and advice of British concurrence in the principle of parity.	132
Oct. 28 (542)	*From the Ambassador in the United Kingdom (tel.)* Personal for the President: Account of British views on the projected Naval Conference.	134
Nov. 1 (325)	*From President Roosevelt to the Ambassador in the United Kingdom (tel.)* Opinion that a special delegation should be sent to the Conference, and that greatest possible effort should be made to negotiate a new naval treaty.	136
Nov. 1	*Memorandum by the Under Secretary of State* Statement (text printed) read to the British Ambassador inquiring whether the British understand that Japan will again put forth a claim for "a common upper limit".	138
Nov. 5 (553)	*From the Ambassador in the United Kingdom (tel.)* Personal for the President: Further considerations in connection with forthcoming Conference; unfavorable attitude toward a special mission, but desire for Admiral Standley's appointment as a delegate.	139
Nov. 6 (555)	*From the Ambassador in the United Kingdom (tel.)* British inquiry (1) if United States would concur in issuance of an invitation to League of Nations to send an observer to the Conference; (2) if U. S. formal acceptance may be expected soon.	142
Nov. 6 (327)	*To the Ambassador in the United Kingdom (tel.)* Nonobjection to a League observer; authorization to transmit U. S. formal acceptance of invitation to the Conference.	142
Undated	*From the British Embassy* Reply to U. S. inquiry of November 1 indicating expected Japanese attitude at forthcoming Conference, and British attitude toward Japanese proposals.	143
Nov. 18 (343)	*From President Roosevelt to the Ambassador in the United Kingdom (tel.)* Decision, based on technical and political difficulties involved, in favor of a special delegation, with same personnel as in the conversations of 1934 except for addition of Under Secretary Phillips.	143
Nov. 23	*Memorandum by Mr. Noel H. Field of the Division of Western European Affairs of a Meeting Held November 19, 1935, at the Executive Office of the White House* (Present: President Roosevelt, Norman Davis, and others.) Discussion of a memorandum read by Norman Davis (text printed) summarizing naval situation and main points of U. S. position; President's approval of individual points, with certain comments and exceptions.	144

LONDON NAVAL CONFERENCE, 1935

Date and number	Subject	Page
1935 Nov. 26	*To the Chairman of the American Delegation to the London Naval Conference* Memorandum (text printed) setting forth general position to be adopted by U. S. delegation at the London Conference.	150
Dec. 6 (381)	*To the Ambassador in the United Kingdom (tel.)* Information from Tokyo that Foreign Office denied press reports that the Japanese delegates would make proposals concerning the Four Power Treaty and fortifications in the Pacific.	156
Dec. 8	*Memorandum of Conversation at the Admiralty, London, Between Messrs. Norman H. Davis, William Phillips, and Admiral Standley for the United States, and Viscount Monsell, Admiral Sir Ernle Chatfield, and Mr. R. L. Craigie for the British Government* Discussion of battleship and cruiser programs; reference to difficulties facing the Conference, particularly the Japanese attitude.	156
Dec. 9 (6)	*From the Chairman of the American Delegation (tel.)* Summary of the conversation with the British on December 8.	158
Dec. 9 (7)	*From the Chairman of the American Delegation (tel.)* Opening of the Conference.	159
Dec. 10 (235)	*From the Ambassador in Germany (tel.)* Indication that German attitude toward the Conference is one of reserve. Account of an incident which is further evidence of German-Japanese entente. Possibility of war between Germany and Russia.	159
Dec. 12 (2529)	*From the Ambassador in Germany* Summary of press comment in Germany on the Conference; indications of official German disinterestedness in the Conference.	160
Dec. 17 (24)	*From the Chairman of the American Delegation (tel.)* Official denial of a press report that Japan would reject a 20% naval reduction because of apprehension over a possible U. S. attack, and information that Japanese delegation would also deny report.	161

THE ANGLO-GERMAN NAVAL AGREEMENT, JUNE 18, 1935

1935	(Note: Résumé of steps leading to the Anglo-German conversations of June 4–22 which culminated in exchange of notes, June 18.)	162
May 7 (95)	*To the Ambassador in the Soviet Union (tel.)* Opinion, in answer to an inquiry, that the regional discussion of German naval rearmament as now planned, is most appropriate method of dealing with the problem.	162
June 7 (259)	*From the Ambassador in the United Kingdom (tel.)* Foreign Office *aide-mémoire* (text printed) handed to French, Japanese, and Italian Embassies indicating details of a German offer and preliminary acceptance by the British.	163

THE ANGLO-GERMAN NAVAL AGREEMENT

Date and number	Subject	Page
1935 June 11 (135)	*To the Ambassador in the United Kingdom (tel.)* *Aide-mémoire* for the Foreign Office (substance printed) commenting on the Anglo-German conversations and preliminary accord, and expressing hope for future general agreement among the naval powers.	164
June 18 (511)	*From the Ambassador in France (tel.)* French reply to the British *aide-mémoire*, indicating objections to terms of the preliminary Anglo-German understanding, and inquiring whether the British have considered certain situations which may arise.	165
June 19 (515)	*From the Ambassador in France (tel.)* Advice that French press comment has shown indignation toward the British; opinions of a French official as to complications that will arise as result of the British action. Request for Department's reaction to the situation.	166
June 20 (239)	*To the Ambassador in France (tel.)* Reference to Department's No. 135, June 11, as containing U. S. general attitude, and comment that no position has been taken as to the merits of the agreement itself.	167
June 28 (683)	*From the Ambassador in the Soviet Union* Soviet fear over effect of Anglo-German accord in both Europe and the Far East, and speculation as to possible Anglo-Japanese secret understanding.	168

ANALYSES BY AMERICAN DIPLOMATIC MISSIONS OF POLITICAL EVENTS IN EUROPE OF SPECIAL INTEREST TO THE UNITED STATES IN CONNECTION WITH THE MAINTENANCE OF PEACE

1935 Jan. 10 (14215)	*Report by the Acting Military Attaché in Italy* Excerpt from the Italian official press communiqué of the Italo-French understanding on a proposed Danubian accord. (Footnote: Information that communiqué was issued at conclusion of the Laval-Mussolini conversations at Rome, January 3–7.)	170
Jan. 11 (557)	*From the Ambassador in Poland* Foreign Minister Beck's enthusiasm regarding the proposed Danubian accord as an assurance of future peace in Central Europe, but indication that Poland's participation would be dependent upon the participation of Hungary.	171
Jan. 16 (46)	*From the Ambassador in France (tel.)* Summary of information regarding the Laval-Mussolini conversations.	173
Jan. 19 (354)	*From the Chargé in the Soviet Union* Soviet fear that the basis for the Franco-Soviet *rapprochement* has been fundamentally altered by Laval's tactics, and apprehension over possible concessions to Germany leading to an anti-Soviet alignment.	176
Jan. 25 (11)	*From the Chargé in Germany (tel.)* Opinion that Germany's elation over Saar returns has stiffened her attitude toward the Danubian pact and an arms limitation pact, and that a favorable reply to French note of January 16 concerning an Eastern pact is doubtful.	178

POLITICAL EVENTS IN EUROPE

Date and number	Subject	Page
1935 Jan. 28 (524)	*From the Minister in Greece* Statement of the Council of the Balkan Entente (text printed) expressing satisfaction over the Franco-Italian agreement on a Danubian accord.	179
Jan. 29 (584)	*From the Ambassador in Poland* Beck's explanation of Poland's negative attitude toward the Eastern Locarno Pact, and opposition to German rearmament.	180
Jan. 30	*Memorandum by the Ambassador in France* Conversation with Laval regarding the topics he expects to discuss in London; his desire for U. S. participation in a general disarmament conference once the continental *status quo* had been established.	182
Jan. 30 (38)	*From the Ambassador in Italy (tel.)* Conversation with Suvich, Under Secretary of State for Foreign Affairs, who said that hope for European peace seemed short-lived if Germany did not agree to armament limitation and did not sign the Austrian and Eastern Locarno treaties; his hope for success of Anglo-French London conversations.	185
Feb. 2 (45)	*From the Ambassador in Italy (tel.)* Conversation with Mussolini, whose remarks indicated mental acceptance of the inevitability of a conflict with Germany, and his opinion that an Anglo-French agreement in London might postpone a war; his inquiry as to U. S. attitude toward Germany.	188
Feb. 5	*Memorandum by the Chargé in the United Kingdom* Outline by Foreign Secretary Sir John Simon of the background of the understandings and recommendations embodied in the communiqué issued February 3, following the Anglo-French conversations; his opinion that a U. S. statement of approval would carry great weight in a troubled world.	188
Feb. 7 (25)	*To the Ambassador in the United Kingdom (tel.)* Message for Sir John Simon (text printed) indicating reasons for not making a public statement.	192
Feb. 28 (412)	*From the Chargé in the Soviet Union* Soviet attitude toward the German reply to the Franco-British proposals; their eagerness to effect the conclusion of an Eastern pact, embodying mutual assistance. (Footnote: Citation to text of German reply.)	193
Mar. 5	*Memorandum by the Chargé in the United Kingdom* Simon's comments on Mussolini's swing to an anti-German viewpoint, on the proposed "Air Locarno", the Eastern European pact, and other European topics.	194
Mar. 8 (625)	*From the Ambassador in Poland* Résumé of a conversation with Beck regarding the proposed Eastern Locarno Pact.	197
Mar. 15 (313 Diplo.)	*From the Chargé in Estonia* Advice concerning *démarches* made at Paris and London by the Estonian, Latvian, and Lithuanian Ministers indicating their interest in a pact for Eastern Europe as part of the European system of peace pacts now under consideration.	198

POLITICAL EVENTS IN EUROPE

Date and number	Subject	Page
1935		
Mar. 20 (126)	*From the Chargé in the United Kingdom (tel.)* Simon's view of the European situation after announcement of the German decree of March 16 reestablishing compulsory military service; and explanation of the British unilateral decision to enter into exploratory conversations with Germany.	200
Mar. 21 (1021)	*From the Acting Chairman of the American Delegation to the Disarmament Conference (tel.)* Discussion with the Secretary General of the League and others regarding the effect of Germany's decree on the European situation.	202
Mar. 22 (63)	*To the Chargé in the United Kingdom (tel.)* Instructions to thank Sir John Simon for his frank discussion of the European situation. Excerpts from Secretary's press conference (text printed).	204
Mar. 22 (640)	*From the Ambassador in Poland* Conversation with Beck, who said that Poland would make a statement relative to Germany's announcement of compulsory military service, stressing the grave consequences of the German action.	205
Mar. 26 (56)	*From the Ambassador in Germany (tel.)* Account of British-German conversations, during which all points of the British-French communiqué of February 3 were discussed; British attitude as to material results of conversations.	208
Mar. 28 (590)	*From the Ambassador in Turkey* Analysis of trends and conditions regarding the European situation; suggestion as to prevention of war.	209
Mar. 31 (174)	*From the Ambassador in Italy (tel.)* Information regarding the conversations between Hitler and Sir John Simon on rearmament and Austrian independence, revealed by Hitler to diplomatic representatives of Belgium, France, and Italy.	211
Apr. 1 (1022)	*From the Ambassador in Italy* Analysis of European situation on the eve of the Stresa Conference (to be held April 11–14).	212
Apr. 2 (191)	*From the Minister in the Netherlands* Simon's impressions of Hitler, as revealed to the Foreign Minister on his return trip from the Berlin conversations, and his opinion that Hitler seemed more concerned with the Soviet menace than with affairs of Western Europe.	216
Apr. 4 (660)	*From the Ambassador in Poland* Report on discussions with diplomatic representatives of Rumania, France, Czechoslovakia, and the Soviet Union regarding Polish foreign policy.	217
Apr. 5 (661)	*From the Ambassador in Poland* Information from the Secretary of the British Embassy concerning Eden's conversations with Beck and Marshal Pilsudski on April 2 and 3; Beck's statement that the non-aggression treaties with Germany and the Soviet Union are the foundations of Poland's foreign policy.	222

POLITICAL EVENTS IN EUROPE

Date and number	Subject	Page
1935		
Apr. 6 (142)	*From the Minister in Czechoslovakia* Advice that Eden's conversations with Beneš brought entire agreement on the four points of the London declaration of February 3; official Czech reaction to British visits of Simon and Eden to Berlin, and of Eden to Moscow, Warsaw, and Prague.	225
Apr. 8 (1351)	*From the Ambassador in the United Kingdom* Publication of communiqués on Eden's visits to Warsaw and Prague (texts printed); advice that the Cabinet is meeting to consider Simon's and Eden's reports of their recent trips, and to determine policy for the Stresa Conference, scheduled for April 11.	228
Apr. 8 (188)	*From the Ambassador in Italy (tel.)* Résumé of a conversation with Suvich regarding the position Italy intends to take at Stresa.	229
Apr. 9	*Memorandum by the Third Secretary of Legation in Latvia* Analysis of the attitude of the Baltic States toward the proposed Eastern Locarno Pact.	232
Apr. 9 (138)	*From the Chargé in the Soviet Union (tel.)* Information that Litvinov has inquired as to Estonian and Latvian willingness to enter into a mutual assistance pact with the Soviet Union, France, Czechoslovakia, and Lithuania.	240
Apr. 13 (201)	*From the Ambassador in Italy (tel.)* Report on discussions at the Stresa Conference regarding French appeal to the League against Germany's breach of the Versailles Treaty, the Austrian situation, and the Eastern and Western Air pacts.	240
Apr. 15	*Memorandum by the Chargé in Estonia* Conversation with the Assistant Foreign Minister concerning recent Soviet overtures to Estonia for conclusion of a mutual assistance pact.	241
Apr. 16 (1931)	*From the Ambassador in Germany* Comments on German attitude following the Stresa Conference, and publication of communiqué and press comment (excerpts printed) in regard to the mutual assistance clause in proposed Eastern pact; possibility of Germany's return to the League.	244
Apr. 17 (1378)	*From the Ambassador in the United Kingdom* Résumé of Prime Minister's report to the House of Commons on the Stresa Conference, and indication that no new British commitments had been made.	247
Apr. 17 (113)	*From the Acting Chairman of the American Delegation to the Disarmament Conference* Memorandum of a conversation with Sir John Simon (text printed) on the present European situation, and indication of British policy to bring Germany back into the concert of nations.	248
Apr. 18 (151)	*From the Consul at Geneva (tel.)* Report of developments in the Eighty-fifth session of the League Council (April 15–17), in which solidarity between Great Britain, France, and Italy was apparent, and steps were considered to check the German menace.	254

POLITICAL EVENTS IN EUROPE

Date and number	Subject	Page
1935		
Apr. 18 (1039)	*From the Acting Chairman of the American Delegation to the Disarmament Conference (tel.)* Comments on diplomatic cross currents during Council meetings; Great Britain's efforts for bringing Germany into the community of nations, while simultaneously bilateral mutual assistance pacts are being negotiated.	259
Apr. 18 (1053)	*From the Ambassador in Italy* Analysis of the topics discussed at the Stresa Conference.	260
Apr. 20	*From the Acting Chairman of the American Delegation to the Disarmament Conference* Analysis of the developments in Europe following the Stresa and Council meetings, and their vital effect on the problem of disarmament.	265
May 4 (177)	*From the Ambassador in the Soviet Union (tel.)* Discussion with Litvinov, who said that the Franco-Soviet mutual assistance agreement (signed May 2, 1935) had produced a new constellation in European politics and constituted a warning to Germany that aggression would be met by force.	270
May 9	*To the Ambassador in Turkey* Opinion that suggestion made in despatch No. 590, March 28, would be doomed to failure and might aggravate the European situation.	272
May 10	*Memorandum by the Minister in Latvia* French Minister's viewpoint that Germany's aim is the conquest of Europe; his comments on French policy and reasons for conclusion of the French-Soviet treaty.	273
May 14	*Memorandum by the Minister in Latvia* Conversation with the Secretary General of the Foreign Ministry on questions of general security for Eastern Europe.	274
May 15 (100)	*From the Ambassador in Germany (tel.)* Conversation with the Foreign Minister regarding German attitude toward the Eastern pact, the League of Nations, and other points.	277
May 15 (196)	*From the Ambassador in the Soviet Union (tel.)* Conversation with Laval, who revealed the highlights of his discussion with Stalin in regard to the European situation and Franco-Soviet relations.	278
May 18 (1987)	*From the Ambassador in Germany* Analysis of German foreign policy, and speculations as to a new policy statement by Hitler in his forthcoming speech to the Reichstag on May 21.	280
May 29 (214)	*From the Ambassador in the Soviet Union (tel.)* Résumé of several conversations with Litvinov on the Italo-Ethiopian dispute in relation to Austrian independence, the Danubian pact, Nazi penetration into Czechoslovakia, and the Polish attitude toward the Eastern pact.	283
June 4 (116)	*From the Acting Chairman of the American Delegation to the Disarmament Conference* Report on discussions during the first plenary session of the Committee of Thirteen relative to Germany's breach of the Military Clauses of the Versailles Treaty.	285

POLITICAL EVENTS IN EUROPE

Date and number	Subject	Page
1935		
June 6 (2035)	*From the Ambassador in Germany* Transmittal of a copy of Foreign Office memorandum to the Locarno Powers which seeks to establish that the Franco-Soviet treaty is at variance with the provisions of the Locarno Pact; summary of French and German press comments.	289
June 6 (2036)	*From the Ambassador in Germany* Translation of a memorandum (text printed) of the German views as to the nature of an acceptable Eastern pact, which it is understood was submitted to Sir John Simon during his Berlin visit and known to the other interested powers.	290
June 17 (117)	*From the Acting Chairman of the American Delegation to the Disarmament Conference* Assessment of the developments of the European situation since the first of the year, and conclusions as to possible future trends.	291
July 11	*Memorandum by the Chargé in Latvia* Conversation with Mr. Munters, Secretary General of the Foreign Ministry, as to the present status of negotiations concerning the Eastern pact, effects of the Anglo-German Naval Agreement, and other European matters.	296
July 16	*Memorandum by the Third Secretary of Legation in Latvia* Conversation with a Polish Legation official regarding a mutual assistance pact between Latvia and the Soviet Union.	299
July 18	*Memorandum by the Chargé in Latvia* Analysis of recent developments concerning an Eastern European security pact.	300
Aug. 13 (2215)	*From the Ambassador in Germany* British informal approach to the German Government with view to furthering conclusion of an Eastern pact; information in connection with despatch No. 2035, June 6.	306
Aug. 27 (2250)	*From the Ambassador in Germany* German reply to British proposal postponing decision on Eastern pact until "quieter times" had come; Foreign Office official's comments as to real reasons for postponement.	308
Nov. 13 (968)	*From the Chargé in Latvia* Attitude of Munters toward a larger political grouping of states in the zone between the U. S. S. R. and Germany in connection with the conclusion of an Eastern European security pact.	309

UNFAVORABLE ATTITUDE OF THE DEPARTMENT OF STATE TO AID BY AGENCIES OF THE UNITED STATES IN FINANCING SALES OF WAR MATERIALS TO FOREIGN GOVERNMENTS

1935		
Feb. 14	*Memorandum by Mr. Joseph C. Green of the Division of Western European Affairs* Telephone conversations with official of the Export-Import Bank concerning the interpretation of the President's Proclamation of May 28, 1934, in connection with financing flour shipments to Bolivia; Department's opposition to such financing because of possible political effects.	311

SALE OF WAR MATERIALS

Date and number	Subject	Page
1935 Feb. 21	*Memorandum by Mr. Joseph C. Green of the Division of Western European Affairs* Explanation to an official of the Boeing Aircraft Co. of the Department's attitude toward financing by the Export-Import Bank of the sale of airplanes to the Greek Government.	312
Mar. 5	*Memorandum by Mr. Joseph C. Green of the Division of Western European Affairs* Suggestion for systematizing relations between Export-Import Bank and Department in respect to the possible financing of the exportation of articles which are not clearly munitions of war.	313
Aug. 8	*Memorandum by the Acting Chief of the Division of Current Information of Press Conference of the Secretary of State* Résumé of Secretary's answers to questions pertaining to refusal by Export-Import Bank to finance cotton shipments to Italy, and other questions connected with general policy on the sale of war materials.	314

COOPERATION WITH THE SENATE COMMITTEE INVESTIGATING THE MUNITIONS INDUSTRY (NYE COMMITTEE) IN PREPARATION OF LEGISLATION WITH RESPECT TO NEUTRALITY AND FOR THE CONTROL OF TRAFFIC IN ARMS

1935 Feb. 20	*From the Chairman of the Special Committee of the Senate Investigating the Munitions Industry to Mr. Joseph C. Green of the Division of Western European Affairs* Committee's hope that the Department will prepare a memorandum covering problems which will be raised by the adoption of any international convention for the control of arms.	316
Feb. 23	*Memorandum by President Roosevelt for the Secretary of State* Desire for consultation with the Secretary on advisability of a message to Congress on war profits and kindred subjects.	316
Mar. 13	*Memorandum by Mr. Joseph C. Green of the Division of Western European Affairs* Account of presentation to the Nye Committee of a memorandum such as requested by the Chairman, together with suggested legislation.	317
Mar. 14	*Memorandum by the Secretary of State to President Roosevelt* Recommendation that no message on arms traffic be sent to Congress at this time; recommendations also on possible methods for dealing with the evils of arms traffic, and on cooperation with the Nye Committee.	318
Mar. 14	*Memorandum by the Secretary of State to President Roosevelt* Discussion of and reasons for unfavorable attitude toward certain proposed legislation to prohibit export trade in arms and implements of war, and to take the profits out of war.	322
Mar. 29	*Memorandum by Mr. Joseph C. Green of the Division of Western European Affairs* Conversation with Senator Nye and Mr. Raushenbush, secretary of the Nye Committee, who stated that the Committee would issue a preliminary report on April 1, and outlined briefly its contents.	323

MUNITIONS INDUSTRY INVESTIGATION

Date and number	Subject	Page
1935 Mar. 30	*Memorandum by Mr. Joseph C. Green of the Division of Western European Affairs* Information telephoned to Mr. Raushenbush that the Senate Foreign Relations Committee is irritated over activities of the Nye Committee relative to neutrality legislation, feeling that this subject comes under their own jurisdiction.	324
Apr. 2	*Memorandum by the Legal Adviser* Draft text of proposed legislation to preserve the neutrality of the United States. (Footnote: Information that memorandum was sent to the White House.)	325
Apr. 2	*Memorandum by Mr. Joseph C. Green of the Division of Western European Affairs* Advice from Mr. Raushenbush that the Committee's report of April 1 was not as comprehensive as originally intended due to the attitude of the Foreign Relations Committee.	328
Apr. 10	*Memorandum by Mr. Joseph C. Green of the Division of Western European Affairs* Conversation with Mr. Raushenbush on recent developments; his advice that the Committee plans to request the Secretary to confer with it soon.	329
Apr. 11	*From the Chairman of the Senate Committee on Foreign Relations* Opinion that the Nye Committee has no authority to act on the subject referred to in article IV of its report of April 1, i.e., the export of munitions and contraband in case of a major war.	330
Apr. 11	*Memorandum by the Secretary of State to President Roosevelt* Recapitulation of the various phases of the activities of the Nye Committee, with suggestions for use at next conference with the Committee; submittal of draft bill (text printed) on the control of arms traffic.	331
Apr. 12	*Memorandum by Mr. Joseph C. Green of the Division of Western European Affairs* Suggestion to Nye Committee that it might wish to clear up with the Committee on Foreign Relations the question of jurisdiction on neutrality legislation before inviting the Secretary for a conference; Committee's action on suggestion.	339
May 8	*To President Roosevelt* Reference to the draft bill on arms traffic transmitted April 11, and suggestion that the President inform the Nye Committee of his support of the measure in order to expedite action thereon.	341
July 16	*To President Roosevelt* Advice that Foreign Relations Committee has appointed a subcommittee to confer with Department on whole subject of neutrality legislation; also that a group of Senators may call on the President soon to request his views.	342
July 29	*Memorandum by the Under Secretary of State* Desire of Department to cooperate with the Foreign Relations Committee on neutrality legislation; discussion of complexities of such legislation, and reasons why S. 2998 on control of arms traffic should be passed. (Footnote: Information that statement was read before the Committee on July 30.)	343

MUNITIONS INDUSTRY INVESTIGATION

Date and number	Subject	Page
1935		
July 31	*To the Chairman of the Senate Committee on Foreign Relations* Suggestion of an amendment to section 5 of S. 2998, and transmittal of several copies of a detailed memorandum (text printed) on suggested neutrality legislation.	345
Aug. 29	*To President Roosevelt* Views on S. J. Res. 173, pertaining to arms traffic control and restriction of travel of Americans during war; suggestion of a statement (substance printed) which the President may wish to release upon his approval of the measure. (Footnote: Resolution, approved August 31.)	350
Sept. 3	*Memorandum by Mr. Charles W. Yost of the Division of Western European Affairs* Swedish Chargé's inquiry as to interpretation of the term "implements of war" in the recent neutrality resolution, and his favorable comment on the President's statement. (Footnote: Citation to text of statement.)	352
Sept. 13 (562)	*To the Ambassador in Italy* Transmittal of text of S. J. Res. 173 and of the President's statement; explanation of bases of measure and possibility that the subjects dealt with will receive further consideration at next session of Congress. (Footnote: Identic communications to diplomatic representatives in Ethiopia, France, and the United Kingdom; also to the Consul at Geneva and the American Delegate to the Disarmament Conference.)	353
Nov. 21	*To Diplomatic and Consular Officers* Explanation of U. S. policy relative to the export of arms, ammunition, and implements of war, and to the duties of U. S. representatives in foreign countries in relation thereto; list of articles enumerated as arms, ammunition, and implements of war in President's Proclamation of September 25. (Footnote: Citation to text of proclamation.)	354
Dec. 4	*To the Secretary of the Special Committee of the Senate Investigating the Munitions Industry* Suggested amendment (text printed) to section 2 of the Neutrality Act.	356

REPRESENTATIONS BY CERTAIN FOREIGN GOVERNMENTS REGARDING THE SENATE COMMITTEE INVESTIGATING THE MUNITIONS INDUSTRY (NYE COMMITTEE)

1935		
Mar. 18	*Memorandum by Mr. Joseph C. Green of the Division of Western European Affairs* British Embassy's objection, on grounds of international courtesy, to subpoena by the Nye Committee of certain documents from the Guaranty Trust Co. of New York pertaining to dealings between the bank and the British Government in 1916; explanation of quasi-judicial functions of the Committee, and intention of the President to confer with the Committee soon.	360
Mar. 19	*Memorandum by Mr. Joseph C. Green of the Division of Western European Affairs* Conversation with the British Ambassador, who gave his views on the subpoena matter, and was told that the Nye Committee had not yet met with the President.	362

MUNITIONS INDUSTRY INVESTIGATION

Date and number	Subject	Page
1935 Mar. 20	*Memorandum by Mr. Joseph C. Green of the Division of Western European Affairs* Information from Senators Nye and Pope concerning the Committee's conference with the President, in which he did not refer to the proposed investigation of dealings between former allied governments and American banks during World War, but discussed approvingly other Committee activities.	363
Mar. 20	*From the British Ambassador* Willingness to request from Foreign Office any information on the subpoena matter that Department might choose to specify; suggestion, however, that proceeding with investigation without obtaining British Government's consent would be an act of grave discourtesy.	364
Mar. 21	*To the British Ambassador* Expression of surprise at Ambassador's position; restatement of Department's position, and review of steps taken by the Secretary to prevent embarrassment to the British Government.	365
Apr. 3	*Memorandum by the Chief of the Division of Western European Affairs* Conversation with First Secretary of the French Embassy, who wished to reserve a question of principle regarding Nye Committee's subpoena to Central Hanover Bank to produce papers connected with a loan to France in 1917.	366
Apr. 4	*Memorandum by the Secretary of State* British Ambassador's concern over possible publicizing of records on file with J. P. Morgan & Co. and certain other banks involving the British Government; reassuring remarks of the Secretary.	367
Apr. 8	*From the British Ambassador* Protest against proposed investigation of J. P. Morgan correspondence, and request that the Secretary use his good offices to forestall the inquiry.	368
Apr. 9	*From the French Ambassador* Confirmation of the reservation of principle made on April 3, and protest against proposed investigation of J. P. Morgan correspondence with the French Government during World War; request for good offices to prevent the inquiry.	369
Apr. 10	*Memorandum by the Under Secretary of State* Account of conversation with the French Ambassador upon his delivery of the informal letter of April 9.	370
Apr. 13	*Memorandum by the Under Secretary of State* Information given to Under Secretary of the Treasury that the President and the Secretary had made strong but unsuccessful efforts to dissuade the Nye Committee from its desire to examine certain bank documents, although Senator Nye had agreed to hold them in confidence.	370
Apr. 16	*Memorandum by Mr. Joseph C. Green of the Division of Western European Affairs* Explanation of U. S. neutrality legislation, in reply to inquiry of French Embassy official, as a reflection of American desire to keep out of any future European war.	371

MUNITIONS INDUSTRY INVESTIGATION

Date and number	Subject	Page
1935 Apr. 19	*To the British Ambassador* Reply to note of April 8, advising that British point of view was presented strongly to members of the Nye Committee, but they felt that examination of the bank correspondence was necessary for the preparation of legislation; explanation of safeguards, however, against publicity.	372

STATUS OF INTERGOVERNMENTAL DEBTS OWED THE UNITED STATES BY REASON OF THE FIRST WORLD WAR

1935	(Note: Information concerning publication of exchanges of correspondence between United States and various foreign governments with regard to debts owed to United States.)	374
Jan. 15	*To the Chairman of the Senate Committee on Finance* Reasons why the Secretary does not wish to comment on bill S. 142 authorizing acceptance of radium from Belgium on account of its debt to United States.	374
Mar. 22	*Memorandum by the Special Assistant to the Secretary of State* Résumé of conversation with the President in which he outlined an idea relating to the formation of certain self-contained economic units as a basis for international stabilization.	375
May 16	*From the Chairman of the House Subcommittee on Hospitalization* Expression of hope that the Secretary will ascertain possibility of obtaining radium from Belgium as payment on its war debt.	377
May 23	*To the Chairman of the House Subcommittee on Hospitalization* Résumé of situation in connection with Belgian debt; and indication that periodic notice of payment due, to be given shortly, may open opportunity to consider mutually advantageous method of payment.	377
May 29	*To President Roosevelt* Request for approval of draft of final paragraph of debt notices, and for advice on suggestion to various countries for special payments in materials, particularly to Great Britain and Belgium.	378
May 31	*Memorandum by the Economic Adviser to the Secretary of State* Information that the President has given his approval to draft of debt notices and to idea of suggesting payments in kind.	379
June 5	*Memorandum by the Economic Adviser* Conversation with the Belgian Ambassador in which the matter of payment in radium was broached.	380
June 6	*Memorandum by the Secretary of State* Conversation with the British Ambassador, who expressed fear that the suggestion regarding payments in kind would not be received favorably by the Foreign Office.	380
Aug. 5	*Memorandum by the Secretary of State* Advice from the British Ambassador that his Government was obliged to reply adversely to the suggestion for payments in kind.	382

REJECTION BY THE SENATE OF THE RESOLUTION FOR ADHERENCE BY THE UNITED STATES TO THE STATUTE OF THE PERMANENT COURT OF INTERNATIONAL JUSTICE

Date and number	Subject	Page
1935 Jan. 3	*Memorandum by Mr. John S. Dickey, Assistant to the Assistant Secretary of State* Conversation of Assistant Secretary Sayre with Senator Pittman in which the former presented the President's desire for adherence to the World Court without the restrictions recommended in the Walsh–Fess report; Pittman's position and his suggestion of Senator Joe T. Robinson to lead movement for adherence. (Footnote: Text of Walsh–Fess resolution.)	383
Jan. 9	*To President Roosevelt* Approval by the Senate Foreign Relations Committee of the World Court resolution embodying the Reed Amendment, but without certain objectionable restrictions.	385
Jan. 9 (2)	*To the Consul at Geneva (tel.)* Advice of Resolution adopted by the Foreign Relations Committee (text printed), and authorization to inform League Secretariat officials informally, with a view to possibility of efforts to hasten ratification of protocol for the accession of the United States.	386
Jan. 11 (5)	*From the Consul at Geneva (tel.)* Discussion of the situation with the Secretary General, who will proceed with it on a personal basis.	386
Jan. 11	*From Senator Arthur H. Vandenberg* Submission to the Senate Foreign Relations Committee of an interpretive reservation (text printed) to the resolution of adherence; advice that the Committee rejected it, apparently at behest of the Administration, and request for Secretary's opinion as to the reason for rejection.	387
Jan. 15	*To Senator Arthur H. Vandenberg* Opinion that the reservation submitted is not necessary for the protection of any American interest and could only have the effect of misleading the public in an irresponsible manner.	388
	(Note: Rejection by the Senate of the resolution of adherence on January 29.)	389

NEGOTIATIONS FOR THE SUPPRESSION OF LIQUOR SMUGGLING INTO THE UNITED STATES

1934 May 25 (2451)	*From the Consul at Habana* Conversation with Cuban Secretary of the Treasury concerning measures to suppress smuggling of liquor from Cuba into United States under the Convention of 1926.	390
Aug. 7 (119)	*From the Consul at Habana* Representations to the new Secretary of the Treasury with suggestion of specific ways in which Cuba might cooperate with the United States to suppress smuggling; report on steps already taken by Cuba in this direction.	393

SUPPRESSION OF LIQUOR SMUGGLING

Date and number	Subject	Page
1934 Aug. 22	*Memorandum by the Under Secretary of State* Discussion with Treasury Department officials of operation of an incipient rum row fleet with rendezvous at St. Pierre; suggestion that Canadian liquor dealers might wish to seek help from their Government and the British Government for suppression of this illegal trade.	395
Oct. 12 (97)	*To the Minister in Guatemala* Instructions to make representations concerning activities of the *Jagersfon* and other vessels suspected of smuggling from Puerto Barrios; suggested steps that might be taken by Guatemala.	396
Nov. 9	*To the French Ambassador* Evidences of smuggling through St. Pierre-et-Miquelon; hope that the French Government will take steps to prevent illegal activities.	398
Nov. 12	*To the British Ambassador* Recent increase in liquor smuggling activities from Newfoundland; summary of operations of several vessels, registered at St. John's but operating from Nova Scotia; hope that the British Government will take appropriate steps to clear up the situation.	399
Nov. 19 (428)	*From the Minister in Guatemala* Advice that the Minister of Finance is favorably disposed to the negotiation of a treaty for the suppression of illicit liquor and chicle traffic.	401
Nov. 21 (1963)	*From the Ambassador in Cuba* Information that liquor smuggling from Cuba to Florida has been almost eliminated; relation of Cuban vigilance in this respect to the situation of arms smuggling into Cuba from Florida.	402
Nov. 23	*Memorandum by the Assistant Chief of the Division of Western European Affairs* Suggestions given to the French Commercial Attaché, upon his inquiry, of steps that might be taken to prevent the use of St. Pierre-et-Miquelon as a smuggling base.	403
Dec. 5 (2071)	*From the Ambassador in Cuba* Measures taken by the Secretary of the Treasury to prevent liquor shipments to ports from which liquor is smuggled into United States; hope that United States will reciprocate by preventing smuggling of arms into Cuba.	404
1935 Jan. 16	*Memorandum by the Assistant to the Secretary of the Treasury of a Conference With the Counselor of the British Embassy* Discussion of ways and means by which British Government might succeed in solving the problem of smuggling by ships of British registry.	405
Jan. 22 (12)	*To the Ambassador in the United Kingdom (tel.)* Instructions to explain to British authorities the direct personal interest of President Roosevelt in the smuggling matter, and his growing impatience over apparent lack of British cooperation.	408

SUPPRESSION OF LIQUOR SMUGGLING

Date and number	Subject	Page
1935		
Jan. 23 (31)	*From the Chargé in the United Kingdom (tel.)* Information from Foreign Office that an urgent meeting of appropriate governmental departments has been called; its desire also for information as to effective measures taken by the French or Canadians to prevent smuggling. (Footnote: Desired information furnished previously to British Embassy.)	408
Jan. 24 (148)	*From the Minister in the Netherlands* Information, in reply to Department's inquiry, that there is no effective Netherland legislation which would prevent vessels from transshipping their cargoes to other vessels on the high seas.	409
Jan. 31	*From the Counselor of the British Embassy to the Secretary of the Treasury* Inquiry in respect to resumption of reporting departure from British ports of vessels with "interesting" cargoes under arrangement of 1926.	409
Feb. 5	*From the Secretary of the Treasury to the Counselor of the British Embassy* Affirmative reply with details as to information desired, and reporting procedures.	410
Feb. 13	*From the Consul General at St. John's* Advice that the Newfoundland Commission of Government has approved the Bermuda system of landing certificates. (Footnote: Confirmation by Dominions Office, effective date to be February 17.)	411
Feb. 25	*From the Counselor of the British Embassy to the Secretary of the Treasury* Advice of action taken by the Government of Newfoundland to prevent smuggling of liquor into United States.	411
Mar. 15	*From the French Embassy* Details of regulations to prevent the use of St. Pierre-et-Miquelon as a smuggling base, and advice that they will be put into effect upon assurances that cruises of the U. S. Lines will stop at St. Pierre.	412
Apr. 5 (176)	*To the Minister in Guatemala* Instructions to bring to attention of Guatemalan Government the recrudescence of smuggling activity from Puerto Barrios, to inform them of the cooperative steps taken by other countries, and to request that similar measures be taken by Guatemala.	413
Apr. 17 (344)	*From the Ambassador in France (tel.)* French publication of decree containing provisions to suppress illicit alcohol trade from St. Pierre-et-Miquelon.	414
Apr. 23 (436)	*From the Ambassador in Belgium* Information, in response to inquiry, that there is no Belgian law or regulation prohibiting transfer of cargoes of Belgian origin on the high seas.	414
Apr. 27 (722)	*To the Chargé in Mexico* Review of steps taken by various countries to prevent their ports from being used as smuggling bases; instructions to request Mexico to take similar steps. (Footnote: Information that no satisfactory progress was made during remainder of 1935, although Mexico expressed willingness to cooperate.)	415

SUPPRESSION OF LIQUOR SMUGGLING

Date and number	Subject	Page
1935		
May 23 (17)	*To the Minister in Guatemala (tel.)* Disappointment over delay in Guatemalan reply; instructions to inform Guatemala of steps taken by other governments, and express hope for an early and favorable reply.	418
May 31 (667)	*From the Minister in Guatemala* Information as to temporary measures taken by Guatemala to counteract smuggling activities from Puerto Barrios pending further study of situation. (Footnote: Minister's report, July 13, 1936, that "smuggling from Puerto Barrios has ceased.")	419
June 20 (230)	*To the Chargé in Belgium* Evidences of the transfer of cargoes loaded in Belgian ports to smuggling vessels on the high seas; instructions to make representations for measures to prevent this practice.	419
July 5 (300)	*To the Minister in Norway* Instructions to take up with the appropriate authorities the case of the Norwegian steamship *Anders* which transferred its cargo on the high seas to a smuggling vessel, apparently in violation of Norwegian law of June 25, 1926 (text printed).	422
July 29	*To the Consul General at Ottawa* Instructions to take up matter of whether masters of liquor vessels could be compelled to include in their affidavits additional information which would indicate disposition made of cargo of alcohol or liquor transferred to another vessel.	423
July 31	*From the British Ambassador to the Secretary of the Treasury* Information on the steps which have been taken in the various British West Indian Colonies to assist U. S. authorities in the suppression of liquor smuggling.	424
Aug. 5	*From the Secretary of the Treasury to the British Ambassador* Expression of appreciation for Ambassador's letter and cooperation.	426
Aug. 9 (256)	*To the Ambassador in Belgium* Acknowledgment of receipt of a Belgian note, reiterating 1929 position of inability to take certain measures desired by United States; request that Foreign Office be informed of case of steamer *Trajan*, in the hope that it may find some means of indirect help to prevent smuggling.	426
Aug. 27 (2850)	*From the Ambassador in Mexico* Finance Minister's statement that he is without authority to act in Cozumel Island, suspected as a base of smuggling operations, inasmuch as it is a free zone.	427
Sept. 20 (732)	*From the Consul General at Ottawa* Transmittal of Canadian draft memorandum intended to carry out U. S. suggestion relative to masters' affidavits, together with inquiry as to whether this covers the suggestion made. Canadian desire also for U. S. compliance with any corresponding requests for information.	428
Sept. 20	*From the Danish Ministry for Foreign Affairs to the American Legation in Denmark* Nonapplicability of Danish law to activity of the vessel *Jan*, concerning which representations were made by the U. S. Legation.	429

SUPPRESSION OF LIQUOR SMUGGLING

Date and number	Subject	Page
1935 Oct. 3 (69)	*To the Ambassador in Belgium (tel.)* Notification that Commander B. M. Thompson, of the Treasury Department, will visit Brussels soon to discuss matter of obtaining Belgian cooperation in preventing liquor smuggling into United States.	430
Oct. 8 (47)	*To the Minister in the Netherlands (tel.)* Notification of early arrival of Thompson for talks relative to smuggling.	430
Oct. 16 (599)	*From the Ambassador in Belgium* Detailed account of Thompson's visit and his meetings with Belgian officials, who maintained their opposition to suggested measures for cooperating with United States in suppression of smuggling.	430
Oct. 19 (74)	*To the Ambassador in Belgium (tel.)* For Thompson: Arguments to be used in conversations with the Belgian and Netherland authorities.	433
Oct. 22	*From the Counselor of the British Embassy to the Secretary of the Treasury* British readiness to discuss from time to time problems connected with illicit shipments of liquor from the British West Indies.	434
Oct. 22 (610)	*From the Ambassador in Belgium* Agreement of Paul van Zeeland, Belgian Prime Minister and Minister for Foreign Affairs, to discuss personally with Thompson the matter of alcohol shipments; van Zeeland's intimation of future request for *quid pro quo.*	435
Oct. 28	*From the Assistant Secretary of the Treasury* Opinion that Canadian memorandum transmitted in despatch of September 20 from the Consul General at Ottawa, covers U. S. suggestions. Willingness to comply with any Canadian requests for information on similar matters.	436
Nov. 12 (16)	*To the Minister in Norway (tel.)* Instructions to endeavor to expedite reply from Norwegian Government to U. S. representations on smuggling.	436
Nov. 13 (25)	*From the Minister in Norway (tel.)* Renewed representations as instructed; advice that judicial investigation is now being made in the case of the steamship *Anders.*	437
Nov. 18	*To the Secretary of the Treasury* Discussion as to type of requests for information by Canada with which the United States would comply.	437
Nov. 18 (641)	*From the Ambassador in Belgium* Further unsuccessful representations relative to alcohol shipments; four-point summary of Belgian position.	439
Nov. 20 (18)	*To the Minister in Norway (tel.)* Instructions to request Consulate General to inform owner of the vessel *Bodo* of its activities connected with alcohol shipments from Antwerp, apparently in violation of Norwegian law.	441
Nov. 22 (27)	*From the Minister in Norway (tel.)* Information as to action of the Norwegian Minister of Commerce in an effort to stop possible illegal activities of the *Bodo.*	441

SUPPRESSION OF LIQUOR SMUGGLING

Date and number	Subject	Page
1935		
Nov. 25 (28)	*From the Minister in Norway (tel.)* Advice that owners and agents of the *Bodo* have been warned by Consul General at Oslo and by Norwegian Government of danger of violation of Norwegian law.	442
Nov. 29 (94)	*From the Ambassador in Belgium (tel.)* Advice from Van Zeeland that, although he had no legal power to stop alcohol shipments from Antwerp, he would make it as difficult as possible for the alcohol shippers; action of authorities in connection with the *Bodo.*	443
Dec. 3 (80)	*To the Ambassador in Belgium (tel.)* Appreciation of Embassy's efforts in the smuggling matter.	443
Dec. 5 (88)	*From the Chargé in the Netherlands (tel.)* Conversation of Thompson and Chargé with Minister of Finance; inquiry as to making request for extension to all ships carrying spirits of existing provisions for small ships, in view of present inactivity at Rotterdam.	444
Dec. 7 (53)	*To the Minister in the Netherlands (tel.)* Instructions to make the request, in view of possible future activity of smugglers in European ports.	444
Dec. 18	*From the Consul at St. Pierre (tel.)* Telegram sent to Halifax (text printed) relative to the *Bodo* and its cargo of alcohol and coal.	444
1936		
Jan. 2 (23)	*To the Minister in Norway* Information that the *Bodo* arrived at St. Pierre without unloading its alcohol cargo on the high seas; commendation of work of Legation and of Consulate General at Oslo in this connection, and instructions to express gratitude to Norwegian Government.	445

ATTITUDE OF THE UNITED STATES WITH RESPECT TO LEAGUE OF NATIONS ACTIVITIES IN THE REGULATION OF TRAFFIC IN OPIUM AND OTHER DANGEROUS DRUGS

1935		
Apr. 16	*To the Secretary General of the League of Nations* Reservation in respect to resolution passed by the Opium Advisory Committee on November 20, 1934.	447
Apr. 20	*To the Secretary General of the League of Nations* Acknowledgment of receipt of draft convention for the suppression of illicit traffic in narcotic drugs, and indication of reasons for disinclination to participate in the convention.	448
May 26 (204)	*From the Consul at Geneva (tel.)* From Fuller, Assistant Chief of Division of Far Eastern Affairs and U. S. adviser at 20th session of League Opium Advisory Committee: Adverse opinion on Turko-Italian proposals to alter the Committee's policy in preparing reports. (Footnote: Committee's eventual rejection of proposals.)	449
Undated	*Memorandum Based on Report by the Assistant Chief of the Division of Far Eastern Affairs* Summary of proceedings of the 20th session of the League Opium Advisory Committee. (Footnote: Date of report, July 27, 1935.)	450

CONTROL OF NARCOTIC DRUGS

Date and number	Subject	Page
1935 Sept. 7 (306)	*From the Consul at Geneva (tel.)* Council's adoption of report of *Rapporteur* relating to the session of Opium Advisory Committee; statement by the British representative (text printed) objecting to passage on alleged illegal traffic in dangerous drugs from British West Indies.	451
Oct. 29 (551)	*From the Consul at Geneva (tel.)* Summary of communication sent to members of the Advisory Committee by the Director of the Opium Section relative to next meeting of Committee. (Copies sent to Fuller.)	452

RECONSIDERATION BY THE SENATE OF RESERVATION ATTACHED TO CONSENT TO RATIFICATION OF THE ARMS TRAFFIC CONVENTION, SIGNED AT GENEVA, JUNE 17, 1925

1935 Mar. 1 (11)	*From the Minister in Persia (tel.)* Foreign Office request that, in event of elimination of the Senate reservation regarding the Persian Gulf (King reservation), an official statement be made so that action could not be construed as Senate repudiation of any Persian rights in the Gulf.	453
Mar. 12 (98)	*To the Minister in Persia* Instructions to seek opportunity to point out to the Prime Minister that the reservation does not constitute a declaration of U. S. policy.	453
Mar. 19 (384)	*From the Minister in Persia* Foreign Minister's disappointment over Senate elimination of the King reservation, information of which he had received from the Persian Minister in Washington.	454
June 8 (16)	*To the Minister in Iran (tel.)* Senate advice and consent on June 6 to ratification of Arms Traffic Convention without the reservation referring to the Persian Gulf. (Footnote: "Persia" became "Iran" on March 22, 1935.)	455
June 27 (930)	*To the Ambassador in France* Transmittal of President's instrument of ratification, dated June 21, for deposit with the French Government, with due note made of Senate reservation as to date of coming into force.	455
Sept. 3 (2141)	*From the Chargé in France* Foreign Office note stating that because of U. S. reservation, the ratification cannot be counted as one of the 14 required for establishment of the first procès-verbal of deposit of ratifications.	456
1936 Feb. 15 (1206)	*To the Chargé in France* Instructions to ascertain why deposit of ratification of other countries making reservations was, according to a League document, permitted, while that of the United States was refused.	456

ARMS TRAFFIC CONVENTION

Date and number	Subject	Page
1936		
May 1 (2724)	*From the Ambassador in France* French explanation that U. S. notice of ratification had not been received in time to permit of publication in document cited; that no procès-verbal has been signed.	458
July 3 (2881)	*From the Ambassador in France* Transmittal of note from the Foreign Office acknowledging receipt of U. S. instrument of ratification.	459
July 30 (1432)	*To the Ambassador in France* Department's agreement with French view that U. S. ratification with reservation cannot be counted as one of the 14 ratifications necessary to put convention into effect.	460
	(Note: Information that, failing ratification by the necessary countries, the convention did not come into effect for the United States.)	460

REPRESENTATIONS BY FOREIGN GOVERNMENTS REGARDING BILLS FOR THE DEPORTATION OF CERTAIN ALIEN SEAMEN

1935		
Jan. 22	*Memorandum by the Swedish Minister* Renewal of Swedish representations of 1934, in view of introduction in Senate of a new bill for the deportation of certain alien seamen.	461
Feb. 18	*From the Canadian Minister* Reiteration of objections expressed in 1932 in connection with similar bills recently introduced in Congress.	461
Mar. 13	*From the Norwegian Minister* Reference to representations of previous years, and desire that attention of appropriate U. S. authorities be called to serious consequences of contemplated legislation.	462
Apr. 6 (92)	*From the British Ambassador* Advice that British objections to the alien seamen bills before Congress are as strong as in previous years regarding similar bills.	462
Apr. 10	*From the Italian Embassy* Protest against measures introduced in Congress, with reference to previous protests.	463
June 13	*Memorandum by the Chief of the Division of Western European Affairs* Conversation with the Netherland Minister, who called to renew protest against the King-Dies Bill in respect to seamen.	463
June 15	*To the Senate Majority Leader* Explanation of reasons why the Department is opposed to bill S. 379 relative to alien seamen. (Footnote: Identic note sent to Speaker of the House.)	464
June 17	*From the German Embassy* Objections to alien seamen bills pending in Congress, with reference to previous representations relative to similar bills.	464

DEPORTATION OF ALIEN SEAMEN

Date and number	Subject	Page
1935 June 17	*From the Chief of the Visa Division to the Assistant Secretary of State* Senator Copeland's belief that bill S. 379 will not reach the Senate floor; his request for a short letter stating Department's opposition to the bill; transmittal of a draft of letter for approval.	465
Aug. 19	*From President Roosevelt* Copy of a letter (text printed) recently sent to the President of the Seamen's Union, advising that a committee is being formed to study the situation concerning alien seamen. Request that the Secretary designate a member of the committee referred to.	466
	(Note: List of appointees to committee.)	467

OPPOSITION BY CERTAIN FOREIGN GOVERNMENTS AND BY THE DEPARTMENT OF STATE TO PROVISIONS IN PROPOSED SHIPPING LEGISLATION

1935 Mar. 18 (38)	*From the Danish Minister* Danish concern over possible consequences of enactment of the Eastman Bill (S. 1632 and H. R. 5379) or the issuance by Department of Commerce of an order recommended by the United States Shipping Board Bureau (substance printed).	468
Mar. 18	*Memorandum by Mr. William R. Vallance of the Office of the Legal Adviser* Steps taken to give Charles S. Haight, attorney for Norwegian tramp steamship owners, opportunity for full hearing on the Eastman Bill; Haight's report following the hearing.	470
Apr. 4	*From the British Embassy* Reference to provisions of proposed report of the U. S. Shipping Board Bureau, and summary of representations against them made by the British Board of Trade, after discussion with British shipping interests.	471
Apr. 11	*From the Norwegian Minister* Norwegian opinion that proposed order of the U. S. Shipping Board Bureau and provisions of the Eastman Bill are not in accordance with section 7 of the U. S.-Norwegian treaty of 1928.	472
May 10	*Resolution Adopted by the Executive Committee on Commercial Policy* Committee's view that the pending shipping legislation would be injurious to American shipping and to American foreign trade.	474
May 10	*From the Danish Minister* Protest against provisions of S. 2582 and H. R. 7521, recently introduced in Congress, as apparently not in accordance with treaty rights and principles of international law.	475
May 15	*From the Norwegian Minister* Further protest relative to proposed shipping regulations and especially in respect to S. 2582.	476

PROPOSED SHIPPING LEGISLATION

Date and number	Subject	Page
1935		
May 15	*To the Chairman of the House Committee on Merchant Marine and Fisheries* Explanation of Department's objections to pending shipping legislation. (Footnote: Other recipients of similar letters.)	477
June 18	*Memorandum by the Under Secretary of State* President Roosevelt's apparent lack of interest in subject of a conference to consider ship subsidy legislation.	479
Aug. 16	*Memorandum by the Assistant Chief of the Division of Trade Agreements* Introduction of a revised ship subsidy measure by Senator Copeland; indication of its provisions, and belief that objectionable features in earlier bills have been eliminated.	479

REPRESENTATIONS BY CERTAIN FOREIGN GOVERNMENTS AGAINST INCOME TAX IN THE UNITED STATES ON NON-RESIDENT ALIENS

1934		
Dec. 17	*From the British Embassy* Position on announced U. S. intention to tax non-residents' profits resulting from trading through agents in stocks, bonds, and commodities; explanation of adverse effect of such taxation on trade in cotton and other commodities.	481
1935		
Jan. 15	*From the French Embassy* Fear that U. S. persistence in intention to tax profits of non-resident French nationals will lead to use of other than U. S. markets by French firms.	483
Feb. 16	*To the French Ambassador* Report from Treasury Department (excerpt printed) emphasizing that the taxing of profits of non-resident aliens is not a new policy, but that owing to objections raised suggesting involvement of international commerce, a careful study of the matter is being made.	484
Feb. 21 (76)	*From the Chargé in the United Kingdom (tel.)* Inquiry as to whether British subjects visiting America for business must pay tax on their British salaries for that period under article 674 of Income Tax Regulations.	485
Mar. 27 (68)	*To the Ambassador in the United Kingdom (tel.)* Affirmative reply to inquiry; information, however, that consideration is being given to recommending a change in the regulations.	485
Apr. 5	*From the French Embassy* Request for information as to results of the study referred to in Department's note of February 16.	486
Apr. 25	*To the Chairman of the Committee on Foreign Affairs of the House of Representatives* Transmittal of a draft bill to exempt from taxation, under certain conditions, the compensation of certain foreign representatives; concern over possible foreign retaliatory measures if exemption is not granted.	487

TAX ON NON-RESIDENT ALIENS

Date and number	Subject	Page
1935		
June 21 (2115)	*From the Netherland Legation* Protests against taxation of Netherland persons and firms on income received from transactions on American stock exchanges since 1929; suggestions for discussion of matter looking toward an agreement to prevent double taxation.	489
Aug. 28	*To the Netherland Minister* Treasury Department's approval in general of elimination of double taxation by reciprocal treaty, but opinion that the Netherland Legation plan is not detailed enough in certain specific particulars.	490
Aug. 30	*From the Swedish Chargé* Request for good offices of the Department in connection with taxation of the income of Swedish businessmen visiting the United States for business reasons; two specific inquiries on tax regulations.	491
Sept. 23	*Memorandum by the Egyptian Chargé* Inquiry as to liability for tax payment on income from certain French securities bought in United States by the Egyptian Government and deposited in a New York bank.	492
Oct. 8	*To the Swedish Minister* Explanation of U. S. method of taxing the income of non-resident aliens, and indication that consideration is being given to possible recommendation for changes in the law.	493
Oct. 15	*To the Egyptian Minister* Information from Treasury Department that there is no provision for taxing income of foreign governments; advice that matter of taxation of the securities by New York State is being investigated.	494
Nov. 2	*To the Egyptian Minister* Advice from the Governor of New York that New York has no tax which would apply to the securities described by the Minister.	495

INQUIRY BY THE NANSEN INTERNATIONAL OFFICE FOR REFUGEES CONCERNING THE POSSIBILITY OF SETTLING REFUGEES IN THE UNITED STATES

1935		
July 22 (3970)	*From the Minister in Switzerland* Circular letter of July 19 from the Secretary General of the League of Nations (text printed), requesting information as to possibility of settling refugees in the United States, for transmittal to the Nansen International Office.	496
Aug. 9	*From the Secretary General of the Nansen International Office for Refugees* Supplementary suggestions as to type of information the Nansen International Office would be glad to receive.	497
Aug. 12 (3119)	*To the Chargé in Switzerland* Reply to League circular letter of July 19, enclosing a memorandum prepared by the Visa Division (texts printed), containing an explanation of immigration regulations.	499
Sept. 13	*To the Secretary General of the Nansen International Office for Refugees* Expression of interest in Secretary General's letter of August 9; belief, however, that U. S. position was made clear in memorandum transmitted August 12.	501

INQUIRIES ADDRESSED TO EUROPEAN GOVERNMENTS REGARDING THEIR POSSIBLE ADHERENCE TO THE TREATY FOR THE PROTECTION OF ARTISTIC AND SCIENTIFIC INSTITUTIONS AND HISTORIC MONUMENTS

Date and number	Subject	Page
1935		
Jan. 11	*Memorandum by the Chief of the Treaty Division to the Chief of the Division of Latin American Affairs* Lack of sympathy with the treaty in the Department; President's issuance of full powers to the Secretary of Agriculture to sign the treaty on behalf of the United States.	502
Apr. 15	*From the Director General of the Pan American Union* Notification that treaty, formulated by the Governing Board of the Pan American Union in compliance with the resolution on the Roerich Pact of the Montevideo Conference of 1933, is opened to the adherence of all states of the world.	502
Aug. 2 (254)	*To the Ambassador in Belgium* Explanation of origins of treaty, which was signed April 15 by the United States and the 20 other American Republics; instructions to ascertain attitude of the Government to which accredited. (Footnote: Identic instructions sent to missions in United Kingdom, France, Germany, Spain, Italy, and the Netherlands.)	503
Aug. 16 (1635)	*From the Chargé in the United Kingdom* Foreign Office feeling at present that it is not necessary for Great Britain to accede.	504
Aug. 22 (862)	*From the Ambassador in Spain* Intention of Spanish Government to adhere to treaty when officially informed that it has been signed and ratified by all the American Republics. (Footnote: No further communication reported.)	504
Sept. 3 (1284)	*From the Chargé in Italy* Advice that inquiry has been made at the Foreign Office as to the Italian view. (Footnote: No reply to inquiry reported.)	505
Sept. 5 (280)	*From the Minister in the Netherlands* Netherland expression of sympathetic interest in the treaty on two occasions, but unwillingness to accede without further investigation. (Footnote: No further communication reported.)	505
Sept. 11	*From the Belgian Minister for Foreign Affairs and Foreign Commerce to the American Ambassador in Belgium* Explanation as to why Belgium cannot take the initiative in support of the treaty; reservation of right, however, to re-examine question in case of adherence by principal European countries.	507
Sept. 24 (2329)	*From the Ambassador in Germany* Foreign Office explanation of its unenthusiastic view of the treaty.	508
Oct. 14 (2242)	*From the Chargé in France* Information from Foreign Office that its legal advisers do not consider pact worthy of serious consideration, at least at present time.	509

NEGOTIATIONS FOR THE ESTABLISHMENT OF A TRANS-ATLANTIC AIR TRANSPORT SERVICE

Date and number	Subject	Page
1935		
Apr. 24 (92)	*To the Ambassador in the United Kingdom (tel.)* Information regarding discussion of cooperation in establishment of a trans-Atlantic air transport service in a meeting of U. S. officials with a French aviation mission, during which one of the U. S. officials suggested consultation with Great Britain but did not authorize an invitation to them.	510
May 6	*Memorandum by Mr. Stephen Latchford of the Treaty Division* Summary of discussion at meeting between representatives of the Department and of Pan American Airways on possible relationship between pending negotiations of Pan American Airways and Imperial Airways with Portuguese Government and the proposals of the recent French air mission to United States.	511
June 25 (177)	*From the British Ambassador* Advice as to developments, including *démarche* of French Ambassador in London, and negotiations between Imperial Airways and Pan American Airways looking toward cooperation in establishing a trans-Atlantic air service; inquiry as to U. S. position and future plans.	513
July 17	*To the British Ambassador* Information requested in British note of June 25.	514
Nov. 5 (316)	*From the British Ambassador* Advice that a British mission is being sent to Canada to discuss the possible establishment of a trans-Atlantic air service; suggestion that mission proceed to Washington for discussions after the talks in Ottawa. (Footnote: Similar notes from Irish Minister and Canadian Chargé.)	515
Nov. 12	*To the British Ambassador* Acceptance of suggestion, and indication that arrangements will be made for discussions between the British mission and the Interdepartmental Committee on Civil International Aviation. (Footnote: Similar notes to the Irish Minister and the Canadian Chargé.)	516
Nov. 21 (137)	*To the Minister in Canada (tel.)* Instructions to inform representatives at the Ottawa discussions of U. S. desire for a general outline of the questions they propose to discuss in Washington.	516
Nov. 27 (328)	*From the British Ambassador* List of subjects which the British mission desires to discuss in Washington. (Footnote: Similar notes from Canadian Chargé and Irish Minister.)	517
Dec. 2 (134)	*From the Minister in Canada (tel.)* Summary of information available on the Ottawa conversations, particularly with regard to proposed routes of the trans-Atlantic air service.	518
Dec. 12	*Statement to the Press by Assistant Secretary of State R. Walton Moore* Announcement that as a result of Washington conferences with British, Canadian, and Irish representatives, understandings have been reached relative to trans-Atlantic air transport services. (Footnote: Information that Mr. Moore was chairman of the conference.)	519

SUPPLEMENTARY EXTRADITION TREATIES SIGNED BETWEEN THE UNITED STATES AND CERTAIN OTHER COUNTRIES

Date and number	Subject	Page
	(Note: Citation to texts of treaties with Belgium, Czechoslovakia, Luxembourg, Poland, and Switzerland.)	520

APPROVAL BY THE SECRETARY OF STATE OF THE ECONOMIC PROGRAM ADOPTED BY THE ASSEMBLY OF THE LEAGUE OF NATIONS, SEPTEMBER 28, 1935

1935 Sept. 24 (370)	*From the Consul at Geneva (tel.)* British resolution relative to international trade policy (text printed), submitted to the Second Committee of the League Assembly; expectation that it will be adopted by the Committee without material change. (Footnote: Adoption by Committee without change.)	521
Sept. 25 (265)	*To the Ambassador in the United Kingdom (tel.)* Instructions to express to British authorities gratification at the resolution submitted to Economic Committee of the League Assembly. (Sent, *mutatis mutandis*, to Paris.)	522
Sept. 26 (99)	*To the Consul at Geneva (tel.)* Instructions to explain importance of resolution to correspondents of American newspapers, and point out its similarity to American policy.	522
Sept. 27 (100)	*To the Consul at Geneva (tel.)* Note to be delivered to the Chairman of the Second Committee (text printed) containing high praise for the recent resolution.	522
Sept. 28 (391)	*From the Consul at Geneva (tel.)* Advice that the report and resolution of the Second Committee were adopted by the Assembly without discussion.	523
Sept. 28 (392)	*From the Consul at Geneva (tel.)* Account of the presentation of the Secretary's message to the Assembly by its President, Eduard Beneš; view of large number of delegates that Secretary's action served a highly useful purpose.	524
Sept. 28 (394)	*From the Consul at Geneva (tel.)* Letter from Beneš (text printed) acknowledging Secretary's message; information that both are being published by the Secretariat.	525
Oct. 1	*To Diplomatic Officers in the American Republics* Transmittal of copy of Secretary's message of September 27 to League Committee, with instructions to give it to the Foreign Minister as evidence of growing worldwide support of the principles worked out at the Montevideo Conference.	525
Undated (421)	*From the Consul at Geneva (tel.)* Letter from the Secretary General of the League, addressed to the Secretary (text printed), expressing personal appreciation of the Secretary's message and noting American cooperation with the League in economic and financial matters.	526
Oct. 5	*From the French Minister of Commerce and Industry* Statement of personal appreciation of terms of Secretary's recent message, and assurance that principles stated met with full approval of governments represented at Geneva.	527

836401—53——4

ECONOMIC PROGRAM ADOPTED BY THE LEAGUE OF NATIONS

Date and number	Subject	Page
1935 Oct. 24	*To the French Minister of Commerce and Industry* Expression of pleasure on receipt of Minister's message, and belief that prospects for progress toward economic sanity have been at no time in recent years so bright as at present.	528

INTEREST OF THE UNITED STATES IN THE WORK OF THE JOINT COMMITTEE FOR THE STUDY OF COMPENSATION AND CLEARING AGREEMENTS, GENEVA, MARCH 25, 1935

1935 Mar. 6	*From Mr. Oscar B. Ryder, United States Tariff Commissioner* Copies of letter written to the Director of Economic Relations Section of the League of Nations (text printed) in response to his request for views on clearing agreements. Intention to sail March 13 to attend meeting of League Joint Committee on Clearing Agreements.	529
Mar. 11	*To the Consul at Geneva* Transmittal of copy of Ryder's letter, and notification of Ryder's arrival in Geneva about March 21, together with Henry Deimel of the Office of the Economic Adviser.	532
Apr. 1 (107)	*From the Consul at Geneva (tel.)* From Deimel: Summary of report of Joint Committee on Compensation and Clearing Agreements; comment that report is in general unfavorable to clearing agreements. Information that Ryder is proceeding to Italy shortly.	532
Apr. 9 (72)	*To the Ambassador in Italy (tel.)* For Ryder: Expression of belief that Joint Committee report gives support to U. S. trade policies, and of thanks for Ryder's part in preparing report.	534
May 20 (192)	*From the Consul at Geneva (tel.)* League Council's adoption of the report of its *rapporteur* on the work of the Joint Committee on Compensation and Clearing Agreements.	534

STANDARD GENERAL PROVISIONS FOR TRADE AGREEMENTS NEGOTIATED UNDER THE ACT OF JUNE 12, 1934

1935 June 6	*To Diplomatic and Consular Officers* Transmittal of copies of a statement to the press of April 1, 1935 (text printed), on U. S. policy concerning the generalization of tariff concessions under trade agreements, and of the standard general provisions for trade agreements (text printed).	536

NON-APPLICABILITY OF FOREIGN REGULATIONS CONCERNING SOCIAL INSURANCE TO EMPLOYEES OF AMERICAN CONSULATES

1935 Nov. 13 (234)	*To the Chargé in the Union of South Africa* Reply to inquiry concerning insurance for employees of American Consulates under local Workmen's Compensation Act, stating Department's position that no government can require another government to pay premiums on such insurance; résumé of precedent and cases in international law substantiating position.	550

THE NEAR EAST AND AFRICA

AFGHANISTAN

UNSUCCESSFUL NEGOTIATIONS BETWEEN THE UNITED STATES AND AFGHANISTAN LOOKING TOWARD A PROVISIONAL AGREEMENT IN REGARD TO FRIENDSHIP, DIPLOMATIC AND CONSULAR REPRESENTATION, JURIDICAL PROTECTION, AND COMMERCIAL RELATIONS

Date and number	Subject	Page
1934		
Oct. 13 (1282)	*From the Ambassador in France* Request for suggestions for a reply to the Afghan Minister, who suggested a treaty of friendship to put relations between the United States and Afghanistan on a permanent basis.	555
1935		
Jan. 2 (692)	*To the Ambassador in France* Instructions to suggest negotiations along lines of a draft agreement (text printed) in regard to friendship, diplomatic and consular representation, juridical protection, and commercial relations.	556
Feb. 14 (129)	*From the Ambassador in France (tel.)* Afghan Minister's statement that his Government preferred a more formal treaty; his inclination, however, to sign the accord as proposed after Ambassador's explanation that ratification of a treaty would take considerable time.	559
June 4 (464)	*From the Ambassador in France (tel.)* Agreement of Afghan Legation to draft proposed, except for most-favored-nation provision of article IV, and its desire to have agreement signed in English and Iranian; Afghan proposed wording of article IV (text printed).	560
June 6 (209)	*To the Ambassador in France (tel.)* Opinion that Afghan Government does not differ in principle from U. S. policy on most-favored-nation treatment, but that its counterdraft of article IV is ambiguous.	561
June 29 (548)	*From the Ambassador in France (tel.)* Request for authorization to propose a substitution for article IV, since the Afghans are still unwilling to accept U. S. phraseology. (Footnote: Authorization granted.)	561
Oct. 7 (863)	*From the Chargé in France (tel.)* Advice that Afghans will accept proposed substitution for article IV with one phrase omitted, and have abandoned idea of Iranian text.	561
Oct. 14 (425)	*To the Ambassador in France (tel.)* Department's opposition to acceptance of agreement unless the principle of most-favored-nation treatment is concurred in by Afghanistan.	562
Oct. 18 (905)	*From the Ambassador in France (tel.)* Wording of article IV as it would be with the proposed Afghan alteration (text printed).	562
Oct. 26 (438)	*To the Ambassador in France (tel.)* Satisfaction with Afghan version of article IV; instructions to make sure Afghan Government understands that language carries the obligation of unlimited and unconditional most-favored-nation treatment.	563
Nov. 22 (984)	*From the Ambassador in France (tel.)* Note from the Afghan Minister which fails to give the desired assurance of understanding of article IV.	563

EGYPT

STATEMENT BY THE DEPARTMENT OF STATE RELATING TO THE OFFICIAL STATUS OF THE AMERICAN CONSULAR COURT AT CAIRO

Date and number	Subject	Page
1935 Aug. 26	*To Messrs. Alexander and Green of New York* Explanation, in answer to an inquiry, of the bases of jurisdiction of American consular courts in Egypt, with particular attention to their jurisdiction over matters involving personal status of U. S. citizens.	565

ATTEMPT BY THE EGYPTIAN GOVERNMENT TO OBTAIN A GREATER DEGREE OF EQUALITY BETWEEN THE EGYPTIAN AND FOREIGN ELEMENTS IN THE ORGANIZATION AND PROCEDURE OF THE MIXED COURTS

1934 Oct. 13	*Memorandum by the Chief of the Division of Near Eastern Affairs* Telegraphic information from Chargé in Cairo relative to an Egyptian request, in circular note of October 12, that native judges have the right to preside over chambers of the Mixed Court and that the Arabic language be admitted in practice in pleadings and decisions; comments on the request and its background.	567
Oct. 17	*Memorandum by the Chief of the Division of Near Eastern Affairs* Receipt of further details from Cairo on position of Egyptian Government, and comments thereon.	568
Nov. 6	*Memorandum by the Under Secretary of State* Appeal by the Egyptian Minister for a favorable reply to his Government's note; his indication that the principal point involved is question of use of the Arabic language.	569
Nov. 6	*From the Chief of the Division of Near Eastern Affairs to the Under Secretary of State* Observation that the use of Arabic is in fact permitted by the court statutes, but long usage has established the use of French exclusively.	570
1935 Jan. 3	*From the Chief of the Division of Near Eastern Affairs to the Under Secretary of State* Summary of letter from the American judge on the Court of Appeals, giving his views on the Egyptian request. Suggestion that U. S. reply to Egyptian note be delayed until the Powers more directly concerned have taken action. (Footnote: Under Secretary's agreement with suggestion.)	571
Jan. 25 (4)	*From the Minister in Egypt (tel.)* Summary of British reply to Egyptian circular note.	573
Feb. 8 (6)	*From the Minister in Egypt (tel.)* Foreign Office request that U. S. reply to circular note be expedited.	573
Feb. 23 (12)	*From the Minister in Egypt (tel.)* Summary of Italian reply to Egyptian note.	573
Mar. 18 (76)	*To the Minister in Egypt* Instructions for reply to be delivered to the Foreign Office (substance printed).	574

EGYPT

ATTEMPT BY THE EGYPTIAN GOVERNMENT TO OBTAIN A GREATER DEGREE OF EQUALITY BETWEEN THE EGYPTIAN AND FOREIGN ELEMENTS IN THE ORGANIZATION AND PROCEDURE OF THE MIXED COURTS—Continued

Date and number	Subject	Page
1935 July 10	*From the Egyptian Minister for Foreign Affairs to the American Minister in Egypt* Submission for approval of an amendment (text printed) to the Regulations for the Judicial Organization, which would make possible the designation of judges to preside over trials without consideration of nationality or seniority.	575
1936 Jan. 3 (1)	*To the Minister in Egypt (tel.)* Inclination to accept Egyptian proposal without reservation; request for information as to position of other Powers. (Footnote: French reservation to acceptance of Egyptian proposal.)	576
Jan. 7 (1)	*From the Minister in Egypt (tel.)* Agreement with Department as to desirability of acceptance of proposal without reservation; delay of Italian reply; Egyptian animosity toward France because of its reservation.	576
Jan. 13 (2)	*To the Minister in Egypt (tel.)* Instructions to advise Foreign Office of U. S. acceptance of the proposed amendment.	577

RESERVATION BY THE UNITED STATES GOVERNMENT REGARDING THE REORGANIZATION OF THE MUNICIPALITY OF ALEXANDRIA BY UNILATERAL ACTION OF THE EGYPTIAN GOVERNMENT

1935 Feb. 14 (203)	*From the Minister in Egypt* Agreement among majority of Legations that so long as fiscal provisions of the Decree of 1890 are not disturbed the Powers cannot protest the recent Decree Law No. 1 establishing the reorganization of Alexandria municipal government; reservations made by Belgium and Italy.	577
Feb. 15 (204)	*From the Minister in Egypt* French reservation of all rights regarding the changes in administration of Alexandria by the unilateral procedure of Decree Law No. 1.	578
Feb. 25 (624)	*From the Consul General at Alexandria* Protest against the reorganization by the Association of Export Commerce of Alexandria. Observation that the British attitude toward any international movement tending to maintain capitulatory rights seems to be unfriendly.	579
Apr. 29 (84)	*To the Minister in Egypt* Reference to U. S. note (text quoted) giving adherence to the decree of 1890 establishing the Municipality of Alexandria; authorization to enter a reservation of U. S. position on the recent Egyptian unilateral action.	580
May 23 (266)	*From the Minister in Egypt* Note addressed to the Foreign Ministry, May 22 (text printed), stating U. S. position that the Egyptian unilateral action is likely to impair capitulatory rights of U. S. citizens.	581

EGYPT

RESERVATION BY THE UNITED STATES GOVERNMENT REGARDING THE REORGANIZATION OF THE MUNICIPALITY OF ALEXANDRIA BY UNILATERAL ACTION OF THE EGYPTIAN GOVERNMENT—Continued

Date and number	Subject	Page
1935 July 12 (108)	*To the Minister in Egypt* Indication that instruction No. 84, April 29, merely authorized a reservation of U. S. position; desire, therefore, that Minister not press the view that reorganization of Alexandria Municipality is likely to impair U. S. capitulatory rights.	583
1936 Nov. 3 (198)	*To the Chargé in Egypt* Advice, in reply to an inquiry, that it would be inadvisable, in view of probable early termination of the capitulations, for the Consul General at Alexandria to participate in any discussion of selection of members of the Municipal Council.	584

DECISION BY THE EGYPTIAN GOVERNMENT TO PARTICIPATE IN SANCTIONS AGAINST ITALY, WITHOUT REGARD TO ITALY'S CAPITULATORY PRIVILEGES IN EGYPT

1935 Oct. 15 (72)	*From the Chargé in Egypt (tel.)* Preoccupation of British Residency with several questions including those of the application by Egypt of sanctions against Italy, and the related problem of the capitulations.	584
Nov. 1 (84)	*From the Chargé in Egypt (tel.)* Belief of British advisers in the Egyptian Government that economic sanctions could be applied without affecting capitulatory rights of countries other than Italy.	585
Nov. 2 (86)	*From the Chargé in Egypt (tel.)* Possible effect of sanctions on capitulatory rights of American citizens, and suggestion that United States might refrain from asserting these rights in cases of Americans trading with Italy or Ethiopia.	586
Nov. 3 (87)	*From the Chargé in Egypt (tel.)* Egyptian announcement of adherence to the principle of application of financial and economic sanctions decreed by the League of Nations.	587
Nov. 4 (88)	*From the Chargé in Egypt (tel.)* Press reports indicating Egypt's difficulties connected with capitulations; renewal of suggestion concerning nonassertion of capitulatory rights of American citizens.	587
Nov. 4	*Memorandum by the Chief of the Division of Near Eastern Affairs to the Secretary of State* Consideration of the general problems arising from Egyptian announcement of sanctions, and examples of concrete problems that may arise; advice that Legal Adviser's Office is being consulted regarding the Chargé's suggestion.	588
Nov. 5 (90)	*From the Chargé in Egypt (tel.)* Views of Booth, British Judicial Adviser to Egypt, on legal aspects of Egyptian application of sanctions against Italy.	589
Nov. 7 (46)	*To the Minister in Egypt (tel.)* Conditional approval of nonassertion of capitulatory rights as suggested in Chargé's telegram No. 86, November 2, provided no attempt is made to invade rights of immunity of American nationals from Egyptian jurisdiction.	590

EGYPT

DECISION BY THE EGYPTIAN GOVERNMENT TO PARTICIPATE IN SANCTIONS AGAINST ITALY, WITHOUT REGARD TO ITALY'S CAPITULATORY PRIVILEGES IN EGYPT—Continued

Date and number	Subject	Page
1935 Nov. 11	*Memorandum by the Under Secretary of State* Italian Ambassador's opinion that Egypt had adopted sanctions against Italy because of British pressure.	591
Nov. 11 (93)	*From the Chargé in Egypt (tel.)* Protest of Italian Minister against Egypt's decision in principle to apply sanctions against Italy.	591
Nov. 14 (95)	*From the Chargé in Egypt (tel.)* Information from Booth relating to provisions of decree to be issued putting sanctions into effect; French Government's extension of jurisdiction of the French sanctions to French nationals in Egypt.	592
Nov. 29 (103)	*From the Minister in Egypt (tel.)* Summary of provisions of sanctions decree, signed November 28, and accompanying statement by the Prime Minister.	592

ETHIOPIA

ETHIOPIAN-ITALIAN CONFLICT

I. EFFORTS BY THE LEAGUE OF NATIONS AND BY FRANCE AND THE UNITED KINGDOM FOR A PEACEFUL SETTLEMENT OF THE DISPUTE BETWEEN ETHIOPIA AND ITALY, JANUARY–SEPTEMBER, 1935

1935 Jan. 11 (8)	*From the Consul at Geneva (tel.)* Ethiopian reservation of right to appeal dispute with Italy over Walwal incident to Council of League; uncertainty in attitude of Powers, with emerging trends indicative of Italian desire to keep matter out of the Council and British endeavor to arrange compromise.	594
Jan. 15 (19)	*From the Chargé in Italy (tel.)* Information from Fulvio Suvich, Under Secretary of State for Foreign Affairs, confirming Italian opposition to submission of dispute to League, and intimating that the nature of the dispute would result in indefinite postponement of action by League.	595
Jan. 15 (19)	*From the Consul at Geneva (tel.)* Description of diplomatic moves concerning dispute, including efforts to dissuade Ethiopian delegate from presenting case to Council.	595
Jan. 16 (21)	*From the Consul at Geneva (tel.)* Appeal of dispute to the Council by the Ethiopian delegate under article XI, paragraph 2, of the Covenant.	597
Jan. 16 (23)	*From the Chargé in Italy (tel.)* Advice that General de Bono is to take over newly created post of High Commissioner for the Colonies of East Africa; King's appointment of Mussolini as Minister of Colonies.	597
Jan. 17 (24)	*From the Consul at Geneva (tel.)* Unsuccessful attempt of Italians to have Ethiopians withdraw their invocation of the Covenant.	597

ETHIOPIA

ETHIOPIAN-ITALIAN CONFLICT—Continued

I. EFFORTS BY THE LEAGUE OF NATIONS AND BY FRANCE AND THE UNITED KINGDOM FOR A PEACEFUL SETTLEMENT OF THE DISPUTE BETWEEN ETHIOPIA AND ITALY, JANUARY–SEPTEMBER, 1935—continued

Date and number	Subject	Page
1935 Jan. 18 (911)	*From the Chargé in Italy* British efforts to effect a compromise, and their belief that dispute will be settled before Council discussion takes place.	598
Jan. 19 (28)	*From the Consul at Geneva (tel.)* Italo-Ethiopian agreement to seek solution under article 5 of the Treaty of Friendship of 1928; Council's postponement of consideration of Ethiopian appeal to next session.	598
Feb. 14 (72)	*From the Ambassador in Italy (tel.)* Clandestine movement of supplies and troops, pointing to more general preparation for extensive campaign in Ethiopia.	599
Feb. 25 (20)	*From the Chargé in Ethiopia (tel.)* Information from Emperor that direct negotiations are hopeless and that he will renew appeal to Geneva.	599
Mar. 18 (26)	*From the Chargé in Ethiopia (tel.)* Advice that Ethiopian delegation in France has been instructed to appeal to Geneva under article 15 of Covenant.	600
May 14 (174)	*From the Consul at Geneva (tel.)* Appeal by Ethiopian Minister in France for Council action to settle dispute under article 15 in view of serious situation created by Italy's mobilization and Italy's failure to advance arbitration.	600
May 15 (265)	*From the Ambassador in Italy (tel.)* Summary of speech by Mussolini in which he defended Italian action in sending troops to Africa and expressed willingness to discuss dispute with Ethiopia; announcement of appointment of two members of commission of conciliation under the treaty of 1928.	600
May 18	*Memorandum by the Chief of the Division of Near Eastern Affairs* Information given in reply to question of Italian Ambassador that selection of Pitman Benjamin Potter, an American, as one of Ethiopia's conciliators had been made without consultation with the U. S. Government.	602
May 20 (194)	*From the Consul at Geneva (tel.)* Advice of telegram sent by the Emperor of Ethiopia to the President of the Council indicating difficulties in attempt at arbitration.	602
May 25 (201)	*From the Consul at Geneva (tel.)* Texts of two resolutions adopted by the Council relative to arbitration attempt; statements by Ethiopian and Italian delegates.	603
May 29 (279)	*From the Ambassador in Italy (tel.)* Conversation with Suvich in which he stated that, owing to the uncertainties of the European situation, Italy felt it must liquidate the Ethiopian situation, and also specified Italy's African objectives.	605

ETHIOPIA

ETHIOPIAN-ITALIAN CONFLICT—Continued

I. EFFORTS BY THE LEAGUE OF NATIONS AND BY FRANCE AND THE UNITED KINGDOM FOR A PEACEFUL SETTLEMENT OF THE DISPUTE BETWEEN ETHIOPIA AND ITALY, JANUARY–SEPTEMBER, 1935—continued

Date and number	Subject	Page
1935		
June 6 (1287 Pol.)	*From the Consul at Geneva* Information from Professor Potter on plans for the first meeting of the Commission of Arbitration, and his views as to difficulties that will be encountered.	606
June 21 (221)	*From the Consul at Geneva (tel.)* Ethiopian proposal that the Council appoint neutral observers to investigate the situation on the Ethiopian frontier.	608
June 28 (245)	*From the Minister in the Netherlands* Information concerning work of Commission of Arbitration, meeting at Scheveningen after first meeting in Milan.	609
July 2 (332)	*From the Chargé in Italy (tel.)* Discussion of Ethiopian-Italian dispute with the French Ambassador, who explained his views as to bases of a possible peaceful solution.	610
July 3 (50)	*From the Chargé in Ethiopia (tel.)* Information given to the Emperor by the British Minister that Mussolini had rejected a British plan for peaceful solution by means of certain territorial adjustments.	612
July 9 (48)	*From the Minister in the Netherlands (tel.)* Adjournment of Arbitration Commission following disagreement over jurisdiction in connection with Ethiopian-Somaliland frontier; Professor Potter's hope of another meeting on July 20.	612
July 9 (310)	*From the Ambassador in the United Kingdom (tel.)* Foreign Secretary's opinion of dispute, and of Mussolini's course; his explanation of British efforts toward peaceful settlement, and hope that the United States might impress on Mussolini the tragedy of making war on Ethiopia.	612
July 10 (232)	*From the Consul at Geneva (tel.)* Receipt by Secretary General of the League of a communication from Ethiopian representative at Paris concerning breakdown of arbitration procedures at Scheveningen.	613
July 10 (56)	*From the Chargé in Ethiopia (tel.)* Foreign Office confirmation of rupture in Arbitration Commission, but no confirmation of a report that war has broken out.	614
July 11 (355)	*From the Chargé in Italy (tel.)* Italian explanation of breakdown of arbitration as due to attempt of Commission to exceed its powers; admission by War Ministry of large number of troops and workmen in East Africa.	614
July 14 (592)	*From the Ambassador in France (tel.)* Information from Italian Ambassador that in his opinion war is inevitable, and that Mussolini has taken an unfavorable attitude toward British suggestion of further discussion.	615
July 16	*Memorandum by the Under Secretary of State* Discussion by British Ambassador of Ethiopian situation and British alternatives of action after the "dead line" on September 29, when the rains suddenly cease in Ethiopia.	616

ETHIOPIA

ETHIOPIAN-ITALIAN CONFLICT—Continued

I. EFFORTS BY THE LEAGUE OF NATIONS AND BY FRANCE AND THE UNITED KINGDOM FOR A PEACEFUL SETTLEMENT OF THE DISPUTE BETWEEN ETHIOPIA AND ITALY, JANUARY–SEPTEMBER, 1935—continued

Date and number	Subject	Page
1935		
July 22 (385)	*From the Chargé in Italy (tel.)* Information from British sources of efforts to initiate conversations among Italy, France, and England; Italian reserve in reference to negotiations, and detachment as to League action.	616
July 25 (331)	*From the Ambassador in the United Kingdom (tel.)* British announcement that arms and ammunition destined for Ethiopian Government would be permitted transit across British territory adjacent to Ethiopia, but that licenses to export arms to Ethiopia or to Italy would not be issued at present.	617
July 26 (402)	*From the Chargé in Italy (tel.)* Intensification of propaganda in favor of drastic action against Ethiopia; anti-foreign demonstrations against England and Japan as well as Ethiopia.	617
July 27 (410)	*From the Chargé in Italy (tel.)* French Ambassador's discussion of means whereby satisfaction to both Italian and British viewpoints might be possible at the League Council meeting.	618
July 29 (342)	*From the Ambassador in the United Kingdom (tel.)* British plans for Council meeting; their willingness to make some economic concessions to Italy in Ethiopia, but in no case to agree to destruction of Ethiopian independence.	620
July 31 (256)	*From the Consul at Geneva (tel.)* Summary of statements made at a private Council meeting by representatives of Great Britain, France, Italy, and Ethiopia on the scope of the agenda.	620
Aug. 1 (258)	*From the Consul at Geneva (tel.)* Private negotiations among Great Britain, France, and Italy; continuance of obscurity in the situation.	621
Aug. 1 (260)	*From the Consul at Geneva (tel.)* Mussolini's objections to a draft resolution which provides for: continuance of arbitration procedures; direct negotiations between France, Great Britain, and Italy as signatories of treaty of 1906; bringing Ethiopia into conversations; and Council review of situation in September session.	622
Aug. 2 (428)	*From the Chargé in Italy (tel.)* Analysis of the Ethiopian problem by the British Ambassador in connection with a discussion of the Council meeting.	623
Aug. 3 (265)	*From the Consul at Geneva (tel.)* Receipt of advice that Great Britain is considering an approach to the United States on subject of U. S. collaboration in the projected conversations relating to the treaty of 1906.	624
Aug. 4 (268)	*From the Consul at Geneva (tel.)* Information that Politis, Greek Minister at Paris, has been accepted by Italy and Ethiopia as the fifth arbitrator on the Arbitration Commission.	624

ETHIOPIA

ETHIOPIAN-ITALIAN CONFLICT—Continued

I. EFFORTS BY THE LEAGUE OF NATIONS AND BY FRANCE AND THE UNITED KINGDOM FOR A PEACEFUL SETTLEMENT OF THE DISPUTE BETWEEN ETHIOPIA AND ITALY, JANUARY–SEPTEMBER, 1935—continued

Date and number	Subject	Page
1935 Aug. 8 (455)	*From the Chargé in Italy (tel.)* Advice that conference of representatives of France, Great Britain, and Italy will take place on August 15, presumably at Paris.	625
Aug. 14 (688)	*From the Chargé in France (tel.)* Arrival of British delegates in Paris for conference; probable British and Italian positions.	625
Aug. 14 (275)	*From the Consul at Geneva (tel.)* Advice of "appeal" by Ethiopia to the Council, inquiring whether Council will remain unmoved as Italy sends troops to Africa to attack Ethiopia while Ethiopia finds it impossible to obtain arms.	626
Aug. 15 (691)	*From the Chargé in France (tel.)* Summary of Paris conversations, in which the British showed their willingness to make concessions to Italy, and attempted to make the French see the necessity of standing with them.	626
Aug. 16 (694)	*From the Chargé in France (tel.)* Further information relative to the Paris conversations, including the fact that the French delegate has given no indication of France's position; acceptance by Politis of the position of fifth arbitrator.	627
Aug. 16 (373)	*From the Chargé in the United Kingdom (tel.)* Information from Foreign Office on Paris conversations of August 14.	628
Aug. 17	*From the British Embassy* Detailed summary of proceedings at Paris; account of an interview of the French Ambassador at Rome with Mussolini, who was greatly preoccupied, and inclined to harp on questions of sanctions and supposed British hostility.	628
Aug. 18 (702)	*From the Chargé in France (tel.)* Conversation with Eden, British representative at Paris meeting, who appeared discouraged, particularly by noncooperation of Mussolini, and was concerned over effect of Ethiopian dispute on European and world affairs.	631
Aug. 18 (703)	*From the Chargé in France (tel.)* Breakdown of Paris negotiations due to Mussolini's intransigent attitude.	632
Aug. 19 (711)	*From the Chargé in France (tel.)* Press reaction to breakdown of negotiations.	632
Aug. 20 (384)	*From the Chargé in the United Kingdom (tel.)* Foreign Secretary's detailed comments on breakdown of Paris negotiations, on possible future developments, and also on the possibilities of close Anglo-American cooperation in the situation.	633

ETHIOPIA

ETHIOPIAN-ITALIAN CONFLICT—Continued

I. EFFORTS BY THE LEAGUE OF NATIONS AND BY FRANCE AND THE UNITED KINGDOM FOR A PEACEFUL SETTLEMENT OF THE DISPUTE BETWEEN ETHIOPIA AND ITALY, JANUARY–SEPTEMBER, 1935—continued

Date and number	Subject	Page
1935 Aug. 21 (508)	*From the Chargé in Italy (tel.)* Message relayed from Legation in Addis Ababa: Local feeling that Italy is irrevocably committed to extreme measures; confidence, however, in ability of nation to make conquest impossible.	635
Aug. 21 (388)	*From the Chargé in the United Kingdom (tel.)* Consultation of Cabinet with representatives of various groups; Prime Minister's acknowledgment of gravity of the situation.	635
Aug. 22	*From the Consul at Basel (tel.)* Message relayed from the Ambassador in Germany: Observations pertaining to the international effects of developments in the Italo-Ethiopian dispute.	635
Aug. 22 (391)	*From the Chargé in the United Kingdom (tel.)* Indications that the British Cabinet considers the present situation contains a challenge to the League and to British prestige; comments as to possible British immediate and long-range measures.	636
Aug. 23 (397)	*From the Chargé in the United Kingdom (tel.)* Cabinet position on Anglo-French cooperation, and its authorization of a special Cabinet group, in conjunction with the Committee on Imperial Defence, to make any required rearrangements of forces affecting the fleet, air force, and army.	637
Aug. 24 (519)	*From the Chargé in Italy (tel.)* Information from Foreign Office of progress in Arbitration Commission in investigation of facts relating to Walwal incident; view of Italian officials relative to outcome of the Paris negotiations.	638
Aug. 28 (411)	*From the Chargé in the United Kingdom (tel.)* Foreign Secretary's view on sanctions, and his opinion that if an act of aggression is committed there must be an instantaneous world reaction.	639
Sept. 4 (288)	*From the Minister in Switzerland (tel.)* Conversation with Eden, who said that all the small powers had declared themselves in favor of application of the Covenant, and who also spoke of the nature of his dealings with Laval and Mussolini on the Ethiopian matter.	640
Sept. 4 (291)	*From the Consul at Geneva (tel.)* Information that the award of the Arbitration Commission has been transmitted to the League Council; quotation of section containing findings on the Walwal incident.	641
Sept. 4 (292)	*From the Consul at Geneva (tel.)* Information from Potter as to the procedures in drawing up the award, with an indication as to how unanimity was effected.	642
Sept. 4 (293)	*From the Consul at Geneva (tel.)* Summary of statements made in a public Council meeting by delegates of Great Britain, France, Italy, Ethiopia, and Spain, the British statement including an outline of the proposals submitted to and rejected by Italy at the Paris conversations.	643

ETHIOPIA

ETHIOPIAN-ITALIAN CONFLICT—Continued

I. EFFORTS BY THE LEAGUE OF NATIONS AND BY FRANCE AND THE UNITED KINGDOM FOR A PEACEFUL SETTLEMENT OF THE DISPUTE BETWEEN ETHIOPIA AND ITALY, JANUARY–SEPTEMBER, 1935—continued

Date and number	Subject	Page
1935		
Sept. 9 (293)	*From the Minister in Switzerland (tel.)* Advice from confidential source that the proposals presented to Italy at Paris were not transmitted to Ethiopia until a few days ago, and that the Negus has now accepted them as basis for discussion under two conditions.	646
Sept. 9 (563)	*From the Ambassador in Italy (tel.)* From the Legation in Addis Ababa: Closing of Italian Consulates in Northern Ethiopia and other activity pointing to imminence of Italian offensive.	647
Sept. 14 (299)	*From the Minister in Switzerland (tel.)* Comprehensive report of situation in Geneva during Assembly meetings.	647
Sept. 16 (447)	*From the Chargé in the United Kingdom (tel.)* Foreign Secretary's impressions of meetings in Geneva; his emphasis on importance of concentrating world opinion against Italian aggression, and his explanation of steps taken to protect British nationals in Ethiopia.	649
Sept. 17 (583)	*From the Ambassador in Italy (tel.)* Account of talk with Mussolini, who was found to be irrevocably determined to proceed with his "colonial enterprise".	652
Sept. 17 (303)	*From the Minister in Switzerland (tel.)* Observations of Eduard Beneš, Czechoslovakian Foreign Minister, on Mussolini as a person and on the growing disaffection toward him in Italy, together with comments on probable future action of the League.	653
Sept. 21 (462)	*From the Ambassador in the United Kingdom (tel.)* Belief of Foreign Office official that Italian military operations will begin in the next week, and any endeavor to check Mussolini is now hopeless; analysis of increased tension in England.	654
Sept. 23 (309)	*From the Minister in Switzerland (tel.)* Eden's opinion that the Committee of Five could not continually make new advances to be repulsed by Mussolini, but that a final effort should be made to make him state his demands publicly and with precision.	655
Sept. 23 (363)	*From the Consul at Geneva (tel.)* Summary of Ethiopia's reply to the proposals of the Committee of Five. (Footnote: Citation to text of proposals.)	656
Sept. 25 (101)	*From the Chargé in Ethiopia (tel.)* Conversation with the Emperor, who indicated his acceptance of the proposals in principle, his belief that Mussolini had become a little less intransigent, and said he had invited the League to send observers to Ethiopia to prevent possibility of border incidents.	657
Sept. 26 (376)	*From the Consul at Geneva (tel.)* Circulation by the Secretary General of the League of a telegram from the Emperor indicating withdrawal of Ethiopian troops 30 kilometers from the frontier, and referring to impartial observers requested of the League.	658

ETHIOPIA

ETHIOPIAN-ITALIAN CONFLICT—Continued

I. EFFORTS BY THE LEAGUE OF NATIONS AND BY FRANCE AND THE UNITED KINGDOM FOR A PEACEFUL SETTLEMENT OF THE DISPUTE BETWEEN ETHIOPIA AND ITALY, JANUARY–SEPTEMBER, 1935—continued

Date and number	Subject	Page
1935 Sept. 26 (102)	*From the Chargé in Ethiopia (tel.)* Analysis of views in Ethiopia relative to the leadership of the British in what they look upon as the first serious attempt to endow the League with adequate power and to demand strict application of the Covenant.	659
Sept. 28 (389)	*From the Consul at Geneva (tel.)* Reply of Secretary General (text printed) to Ethiopian Emperor's telegram, indicating appreciation of spirit of decision on troop withdrawal, and careful consideration of matter of impartial observers.	660
Sept. 29 (104)	*From the Chargé in Ethiopia (tel.)* Reliable information that Emperor will order general mobilization unless assurances are received from the League or the Powers within a day or two.	660
Sept. 30 (400)	*From the Consul at Geneva (tel.)* Telegram from the Emperor, dated September 28 (text printed), urging Council to take precautions against Italian aggression, and stating that general mobilization cannot be longer delayed, although troops will be kept at a distance from the frontier.	660
Sept. 30 (630)	*From the Ambassador in Italy (tel.)* Summary of statements made by Suvich indicative of official Italian stand on Ethiopian matter on the eve of hostilities; view that there is no indication of willingness to compromise, change plans, or retard preparations.	661

II. ITALIAN INVASION OF ETHIOPIA; EFFORTS OF THE LEAGUE OF NATIONS AND OF FRANCE AND THE UNITED KINGDOM TO END HOSTILITIES, OCTOBER–DECEMBER, 1935

1935 Oct. 2 (408)	*From the Consul at Geneva (tel.)* Telegram from the Emperor of Ethiopia (text printed) informing League Council that Italian troops have violated Ethiopian frontier and established themselves on Ethiopian territory, and that accessibility of region makes sending of observers possible.	662
Oct. 3 (411)	*From the Consul at Geneva (tel.)* Message to League from Ethiopian Foreign Minister reporting the bombing of Adowa and Adigrat, with civilian casualties.	662
Oct. 3 (281)	*To the Ambassador in the United Kingdom (tel.)* Request for information relative to a press report that the British have offered France a military alliance in exchange for French support of sanctions and use of Toulon as naval base.	663
Oct. 4 (414)	*From the Consul at Geneva (tel.)* Telegram to League from Ethiopian Foreign Minister (text printed), stating that Italian airplanes bombed the open town of Adowa, throwing first bombs on hospital bearing Red Cross emblem.	663

ETHIOPIA

ETHIOPIAN-ITALIAN CONFLICT—Continued

II. ITALIAN INVASION OF ETHIOPIA; EFFORTS OF THE LEAGUE OF NATIONS AND OF FRANCE AND THE UNITED KINGDOM TO END HOSTILITIES, OCTOBER–DECEMBER, 1935—continued

Date and number	Subject	Page
1935		
Oct. 4 (415)	*From the Consul at Geneva (tel.)* Telegram to League (text printed) from Suvich, Italian Under Secretary of State for Foreign Affairs, denying troop movements as charged in Ethiopian telegram of October 2.	664
Oct. 5 (316)	*From the Minister in Switzerland (tel.)* Explanation of the situation in Geneva, and suggestion, in reply to inquiry, that action on the Ethiopian situation be delayed until a position has been taken by the League or the member states.	664
Oct. 5 (423)	*From the Consul at Geneva (tel.)* Telegram to League from Suvich (text printed) denying Ethiopian charges of bombardment of civilians and Red Cross hospital.	665
Oct. 5 (112)	*From the Chargé in Ethiopia (tel.)* Advice that central authorities seem to have situation well in hand in connection with evacuation of Italians; that Italian Minister Vinci is still without instructions.	665
Oct. 7 (442)	*From the Consul at Geneva (tel.)* Telegram to League from Ethiopian Foreign Minister (text printed) stating that Italian troops had entered Adowa after taking Adigrat, and that thus far Ethiopian troops had not gone into action.	666
Oct. 8 (450)	*From the Consul at Geneva (tel.)* Ethiopian communication to League (text printed) indicating that Ethiopia will be forced to ask Italian Minister to leave immediately due to his abuse of the privileges extended to him.	666
Oct. 9 (686)	*From the Ambassador in Italy (tel.)* Possible effect on U. S. neutrality in case of Anglo-Italian hostilities, and necessity of prompt action in such an eventuality; relative strength of Great Britain and Italy in the Mediterranean.	667
Oct. 10 (121)	*From the Chargé in Ethiopia (tel.)* Information from Italian Minister that Ethiopian Government has requested him to make preparations for early departure.	670
Oct. 11 (481)	*From the Consul at Geneva (tel.)* Explanation of the character of the Committee of Coordination (sanctions committee), and its advantages from the League point of view.	670
Oct. 12 (125)	*From the Chargé in Ethiopia (tel.)* Refusal of Vinci to leave on special train provided by the Ethiopian Government.	671
Oct. 12 (126)	*From the Chargé in Ethiopia (tel.)* Advice that Vinci has been removed from his Legation and is being held virtually a prisoner by Ethiopian Government.	672
Oct. 13 (127)	*From the Chargé in Ethiopia (tel.)* Refusal of Vinci to leave on another special train; reliable information that he has had a nervous breakdown.	672

ETHIOPIA

ETHIOPIAN-ITALIAN CONFLICT—Continued

II. ITALIAN INVASION OF ETHIOPIA; EFFORTS OF THE LEAGUE OF NATIONS AND OF FRANCE AND THE UNITED KINGDOM TO END HOSTILITIES, OCTOBER–DECEMBER, 1935—continued

Date and number	Subject	Page
1935		
Oct. 14 (129)	*From the Chargé in Ethiopia (tel.)* Emperor's decision to allow Vinci to remain for a few days longer; expression of praise for the consideration shown Vinci by the authorities.	672
Oct. 14 (497)	*From the Consul at Geneva (tel.)* Further explanation as to the character of the Committee of Coordination, and speculation on the carrying out of obligations under article 16 of the Covenant.	673
Oct. 15 (713)	*From the Ambassador in Italy (tel.)* Advice that Ethiopian Chargé has received instructions from his Government to return to Addis Ababa and was advised by Foreign Office he was at liberty to choose both date of his departure and itinerary.	675
Oct. 29 (925)	*From the Ambassador in France (tel.)* Opinions of Laval in connection with the Ethiopian situation and related matters.	675
Nov. 2 (562)	*From the Consul at Geneva (tel.)* Advice of Anglo-French exchanges relative to an attempt to bring about a *détente* between Great Britain and Italy.	676
Nov. 3 (571)	*From the Consul at Geneva (tel.)* Summary of statements of various countries made at the final meeting of the session of the Coordination Committee.	678
Nov. 3 (154)	*From the Chargé in Ethiopia (tel.)* Ethiopian concern over secret negotiations alleged to be in progress between Paris, Rome, and London regarding a compromise settlement of conflict; summary of opinions of Emperor and other officials.	679
Nov. 4 (576)	*From the Consul at Geneva (tel.)* Summary and discussion of elements in the Ethiopian situation as viewed from Geneva, with emphasis on the rapid response to the proposals of sanctions, and on the tendency to leave action chiefly to the various governments.	681
Nov. 11	*Memorandum by the Under Secretary of State* Conversation with the Italian Ambassador, who presented a note concerning the League resolutions in respect to sanctions (*infra*).	684
Nov. 11	*Text of the Note Which the Italian Government Addressed on November 11, 1935, to all the Governments Which, at Geneva, Voted for Sanctions Against Italy* Detailed statement made in protest against the League proceedings for the adoption of sanctions.	684
Nov. 16 (603)	*From the Consul at Geneva (tel.)* Indication that several methods of replying to the Italian protest are being considered; that probably individual replies will be made in similar terms.	687
Nov. 20 (975)	*From the Ambassador in France (tel.)* Information concerning French reply (excerpt printed) to Italy's protest.	688

ETHIOPIA

ETHIOPIAN-ITALIAN CONFLICT—Continued

II. ITALIAN INVASION OF ETHIOPIA; EFFORTS OF THE LEAGUE OF NATIONS AND OF FRANCE AND THE UNITED KINGDOM TO END HOSTILITIES, OCTOBER–DECEMBER, 1935—continued

Date and number	Subject	Page
1935		
Dec. 5 (208)	*From the Chargé in Ethiopia (tel.)* Detailed report of the military situation, including comments on the advantages and disadvantages of the Ethiopians, the size and disposition of their armies, and on the Italian advance.	689
Dec. 9	*Status of League Sanction Proposals As Reported From Geneva, to December 9, 1935 (by Proposals)* Lists of countries in which the various sanction proposals relative to Italy are in effect, and information on the position of nonmember states.	695
Dec. 9 (1032)	*From the Ambassador in France (tel.)* Unofficial information from Vansittart, British Under Secretary of State for Foreign Affairs, relative to the Hoare-Laval proposals, and his views on the effectiveness of sanctions.	699
Dec. 11 (623)	*From the Ambassador in the United Kingdom (tel.)* General outline by Eden in the House of Commons of the Hoare-Laval proposals.	700
Dec. 11 (646)	*From the Consul at Geneva (tel.)* Report on perturbation over Hoare-Laval conversations and questions regarding what may not have been brought out in Commons debate; attitude of the smaller powers.	701
Dec. 11 (1854)	*From the Ambassador in the United Kingdom* Manifestations of anxiety and alarm resulting from reports of purported Hoare-Laval agreement.	703
Dec. 12 (649)	*From the Consul at Geneva (tel.)* Statements by Laval (excerpt printed) and Eden (text printed) of their intention to place proposals before League Council which will decide what is to be done. Opinion that situation is one of confusion and depression.	706
Dec. 12 (356)	*From the Minister in Switzerland (tel.)* Eden's explanation that apprehension that Mussolini would attack Great Britain and doubtfulness of French support made effort toward conciliation essential; his summary of terms of Hoare-Laval agreement.	708
Dec. 13 (225)	*From the Chargé in Ethiopia (tel.)* Advice that Anglo-French proposals were submitted to the Emperor.	709
Dec. 13 (653)	*From the Consul at Geneva (tel.)* Circulation by League Secretariat of text of Anglo-French proposals, communication from Ethiopia in regard to the proposals, and Secretary General's reply to the latter. (Footnotes: Citations to texts of proposals and Ethiopian note.)	709
Dec. 16 (1046)	*From the Ambassador in France (tel.)* View of Foreign Office official that the result of efforts to arrive at a plan acceptable to Italy and Ethiopia has been a set-back.	710
Dec. 16 (235)	*From the Chargé in Ethiopia (tel.)* Information that the Emperor declined to accept or even discuss Anglo-French proposals.	710

836401—53——5

ETHIOPIA

ETHIOPIAN-ITALIAN CONFLICT—Continued

II. ITALIAN INVASION OF ETHIOPIA; EFFORTS OF THE LEAGUE OF NATIONS AND OF FRANCE AND THE UNITED KINGDOM TO END HOSTILITIES, OCTOBER–DECEMBER, 1935—continued

Date and number	Subject	Page
1935 Dec. 16 (629)	*From the Ambassador in the United Kingdom (tel.)* Conversation with Vansittart, who warned of impending dangers in the European situation resulting from failure to stem aggression, and predicted a European war provoked by Germany within the near future.	711
Dec. 16 (630)	*From the Ambassador in the United Kingdom (tel.)* Comments on press reports pertaining to Hoare-Laval proposals of December 8; information from Vansittart on arguments used to obtain Cabinet agreement to send proposals to Rome and Addis Ababa.	712
Dec. 17 (1050)	*From the Ambassador in France (tel.)* Account of the defense of the Hoare-Laval proposals by the French Premier and the Foreign Minister during a discussion in the Chamber.	714
Dec. 18 (664)	*From the Consul at Geneva (tel.)* Ethiopia's communication to League discussing League procedure in connection with dispute and pointing out that the Hoare-Laval proposals are not consonant with it; Council President's statement that communication does not constitute reply to proposals.	715
Dec. 18 (665)	*From the Consul at Geneva (tel.)* Defense of proposals by Eden and Laval at a meeting of the Council, and Ethiopian delegate's statement, after explaining his country's position, that Ethiopia would make no reply until the League had studied the proposals.	716
Dec. 18 (240)	*From the Chargé in Ethiopia (tel.)* Emperor's statement expressing willingness to facilitate pacific solution of conflict, but indication that acceptance of Hoare-Laval proposals would be cowardice toward his people and betrayal of the League of Nations.	717
Dec. 19 (241)	*From the Chargé in Ethiopia (tel.)* Departure of last of Italian missionaries without a single instance of ill-treatment.	717
Dec. 19 (243)	*From the Chargé in Ethiopia (tel.)* Partial text of official Ethiopian reply rejecting Hoare-Laval proposals. (Footnote: Citation to complete text.)	718
Dec. 20 (244)	*From the Chargé in Ethiopia (tel.)* Observations on proposals, and on Ethiopian disappointment in British participation in their formulation; also information that British Legation in Ethiopia repeatedly warned its Foreign Office of their unacceptability.	719
Dec. 21 (246)	*From the Chargé in Ethiopia (tel.)* Summary of Ethiopian comments after Emperor's rejection of Franco-British proposals.	720
Dec. 21 (637)	*From the Ambassador in the United Kingdom (tel.)* British stiffening tone in support of League policy and speculation as to Hoare's successor.	722

ETHIOPIA

ETHIOPIAN-ITALIAN CONFLICT—Continued

III. ATTITUDE OF THE UNITED STATES REGARDING PROPOSALS FOR INVOCATION OF KELLOGG PACT AND MEDIATION; APPEAL BY THE UNITED STATES TO ITALY FOR A PEACEFUL SETTLEMENT

Date and number	Subject	Page
1935		
July 3 (51)	*From the Chargé in Ethiopia (tel.)* Information that Emperor will address a note to the American Minister, invoking Kellogg Pact.	723
July 4 (52)	*From the Chargé in Ethiopia (tel.)* Emperor's oral résumé of events of last 6 months, and request to U. S. Government "to examine means of securing Italy's observance of engagements as signatory of the Kellogg Pact"; his confirmation of oral statement in writing.	723
July 5	*Memorandum by the Secretary of State* Conversation with the British Ambassador, who gave his view of the U. S. proposed reply to Ethiopia, at the request of the Secretary, and also commented on the British, French, and Italian positions relative to Ethiopia.	724
July 5 (31)	*To the Chargé in Ethiopia (tel.)* Instructions to address a note to the Emperor (text printed) in reply to the note invoking the Kellogg Pact.	725
July 6	*Memorandum by the Chief of the Division of Western European Affairs* Guarded comment by the French Ambassador upon being given copy of U. S. reply which he had requested.	726
July 6 (53)	*From the Chargé in Ethiopia (tel.)* Résumé of Foreign Minister's note of July 3, confirming Emperor's oral statement invoking Kellogg Pact.	726
July 6 (55)	*From the Chargé in Ethiopia (tel.)* Advice of delivery of note as instructed in Department's No. 31, July 5.	727
July 7 (344)	*From the Chargé in Italy (tel.)* Appearance of text of U. S. reply to Ethiopia in the Italian press; also press reports that in reply to British note the Department will say the United States will not be a party to sanctions. (Footnote: Reference to Department's telegram No. 111, July 9.)	727
July 8	*Memorandum by the Secretary of State of a Conversation With the French Ambassador* Ambassador's statement, upon inquiry by the Secretary, that he had no information as to his Government's position on the Italian-Ethiopian problem but would try to secure it.	728
July 9 (347)	*From the Chargé in Italy (tel.)* Italian expressions of satisfaction with attitude of the U. S. Government as set forth in its recent note, in contrast to their position on the British attitude.	729
July 9 (111)	*To the Chargé in Italy (tel.)* Advice that no note has been received from the British Government and no statement made such as mentioned in Chargé's telegram No. 344, July 7.	729
July 11 (58)	*From the Chargé in Ethiopia (tel.)* Satisfaction of Emperor with American reply.	729

ETHIOPIA

ETHIOPIAN-ITALIAN CONFLICT—Continued

III. ATTITUDE OF THE UNITED STATES REGARDING PROPOSALS FOR INVOCATION OF KELLOGG PACT AND MEDIATION; APPEAL BY THE UNITED STATES TO ITALY FOR A PEACEFUL SETTLEMENT—continued

Date and number	Subject	Page
1935		
July 11 (175)	*To the Ambassador in the United Kingdom (tel.)* Information of Secretary's conversation with Italian Ambassador Rosso, indicating U. S. increasing concern over situation relative to Ethiopia, and particular interest in international arrangements to maintain peace; instructions to inform Foreign Secretary of position.	730
July 11 (354)	*From the Chargé in Italy (tel.)* Inquiry as to authenticity of a report that the U. S. Government notified the Italian Government that it would regard with "extreme misgivings" any step by Italy which would bring about war in Ethiopia.	730
July 13 (49)	*To the Ambassador in Germany (tel.)* Secretary's efforts to correct press reports that in certain foreign opinion the Briand-Kellogg Pact is dead because of U. S. refusal to invoke it; text of press statement. (Instructions to repeat to Geneva, and indication that London and Paris have been informed.)	731
July 16 (322)	*From the Ambassador in the United Kingdom (tel.)* Communication of substance of Department's No. 175, July 11, to Foreign Secretary, who expressed his gratitude and suggested the advantage of conveying message directly to Mussolini.	732
July 31 (198)	*To the Ambassador in the United Kingdom (tel.)* Statement on the Ethiopian situation contemplated by the President (text printed); instructions to inform Foreign Office of its contents.	732
Aug. 1 (349)	*From the Chargé in the United Kingdom (tel.)* Foreign Office appreciation for advance information on President's statement. (Footnote: Information that statement was issued August 1.)	733
Aug. 5 (69)	*From the Chargé in Ethiopia (tel.)* Audience with the Emperor, during which he expressed gratitude for President's statement.	733
Aug. 8 (43)	*To the Chargé in Ethiopia (tel.)* President's receipt of telegram from the Emperor (text printed) conveying thanks for his statement of August 1; instructions to acknowledge its receipt, expressing appreciation.	733
Aug. 12	*Memorandum by the Under Secretary of State* Conversation with British Ambassador, who expressed Foreign Office satisfaction over President's interest in Ethiopian crisis.	734
Aug. 15 (213)	*To the Chargé in the United Kingdom (tel.)* Desire to be kept informed on developments at Paris meeting between British, French, and Italian representatives, in order to determine possible further action within limits of the Kellogg Pact.	735

ETHIOPIA

ETHIOPIAN-ITALIAN CONFLICT—Continued

III. ATTITUDE OF THE UNITED STATES REGARDING PROPOSALS FOR INVOCATION OF KELLOGG PACT AND MEDIATION; APPEAL BY THE UNITED STATES TO ITALY FOR A PEACEFUL SETTLEMENT—continued

Date and number	Subject	Page
1935		
Aug. 17 (697)	*From the Chargé in France (tel.)* Failure to make progress at Paris meetings; suggestion of a statement to the Italian Ambassador by the President or the Secretary that any failure to attain a peaceful result would be viewed by the United States as a world calamity.	735
Aug. 17 (699)	*From the Chargé in France (tel.)* Hope of British representatives at Paris meetings that the U. S. Government would reenforce at Rome the idea of world interest in the maintenance of peace.	736
Aug. 17 (135)	*To the Chargé in Italy (tel.)* Inquiry as to whether Mussolini is in Rome, and whether Chargé could deliver a confidential message to him immediately.	737
Aug. 17 (493)	*From the Chargé in Italy (tel.)* Possible effects of a message such as suggested by the Chargé in France in his No. 697, August 17, to the Department; suggestion that, if message is decided upon, it be withheld from publication.	737
Aug. 17 (494)	*From the Chargé in Italy (tel.)* Advice that an audience with Mussolini has been requested.	738
Aug. 18 (495)	*From the Chargé in Italy (tel.)* Comments relative to Italy's position that the conflict with Ethiopia is morally justified.	738
Aug. 18 (136)	*To the Chargé in Italy (tel.)* Secretary's message to Mussolini (text printed) prepared at the direction of the President, expressing hope for a peaceful settlement of the controversy. (Copy to Paris to be shown confidentially to the British and French.)	739
Aug. 19 (500)	*From the Chargé in Italy (tel.)* Mussolini's comments on U. S. message, including statement that it was too late to avoid armed conflict, but that if Italy were allowed to settle the conflict without interference, world peace would not be endangered.	739
Aug. 19 (708)	*From the Chargé in France (tel.)* Communication to French and British representatives at Paris meeting of U. S. message to Mussolini, and their comments.	742
Aug. 20 (501)	*From the Chargé in Italy (tel.)* Presentation to Suvich of copy of President's message to Mussolini; Suvich's assertion that the case would be presented to the League, and that Italy did not wish to withdraw from the League.	743
Sept. 10 (92)	*From the Chargé in Ethiopia (tel.)* Transmittal of Ethiopian oral inquiry as to whether the United States would be willing to mediate between Italy and Ethiopia if Italy accepts such mediation.	744

ETHIOPIA

ETHIOPIAN-ITALIAN CONFLICT—Continued

III. ATTITUDE OF THE UNITED STATES REGARDING PROPOSALS FOR INVOCATION OF KELLOGG PACT AND MEDIATION; APPEAL BY THE UNITED STATES TO ITALY FOR A PEACEFUL SETTLEMENT—continued

Date and number	Subject	Page
1935 Sept. 11	*Memorandum by the Chief of the Division of Far Eastern Affairs to the Secretary of State* Observations leading to opinion that early decision as to a public statement of American position regarding the impending hostilities (with mention of Kellogg Pact) is of utmost importance.	744
Sept. 12	*Memorandum by the Chief of the Division of Far Eastern Affairs to the Secretary of State* Urging of immediate decision on the issuance of a statement, in view of strong position taken by Sir Samuel Hoare in Geneva speech.	746
Sept. 12	*Statement to the Press by the Secretary of State* Text of statement recapitulating U. S. Government's past efforts toward a peaceful settlement of the Italo-Ethiopian dispute, and explaining its present attitude.	746
Sept. 12 (572)	*From the Ambassador in Italy (tel.)* Ambassador's outline of a plan for a peaceful solution of the Ethiopian conflict outside the scope of the League of Nations. (Footnote: Secretary's reply that the United States could not take steps suggested.)	749
Sept. 12 (56)	*To the Chargé in Ethiopia (tel.)* Instructions to make oral reply to the recent Ethiopian inquiry, stating that U. S. mediation would seem to be impracticable, since the dispute is before the League of Nations for consideration.	751
Sept. 17 (1318)	*From the Ambassador in Italy* Detailed account of a conversation with Mussolini during which the Ambassador, speaking on his own authority, suggested that Mussolini make his own proposal at Geneva for a four-power pact, treating European problems as a whole; assertion that Mussolini gave the impression of a determined man who had made an irrevocable decision to proceed in Ethiopia.	752
Sept. 17 (96)	*From the Chargé in Ethiopia (tel.)* Ethiopian appreciation of Secretary's press statement and message; explanation that Ethiopian inquiry as to mediation was based on assumption that League action would fail.	761
Sept. 20	*Memorandum by the Under Secretary of State of a Conversation With the Italian Ambassador* Observations of the Ambassador upon presentation of an informal memorandum (text printed) which summarizes past relations between Italy and Ethiopia and attempts to justify Italian action.	762
Sept. 25 (472)	*From the Ambassador in the United Kingdom (tel.)* Discussion with the Foreign Secretary concerning the positions of various powers in the Italo-Ethiopian situation, with special attention to the British and U. S. attitudes.	766

ETHIOPIA

ETHIOPIAN-ITALIAN CONFLICT—Continued

III. ATTITUDE OF THE UNITED STATES REGARDING PROPOSALS FOR INVOCATION OF KELLOGG PACT AND MEDIATION; APPEAL BY THE UNITED STATES TO ITALY FOR A PEACEFUL SETTLEMENT—continued

Date and number	Subject	Page
1935 Sept. 27 (270)	*To the Ambassador in the United Kingdom (tel.)* Exposition of Department's views on various matters in connection with the Italo-Ethiopian controversy, for use in any further conversations with British officials.	767
Sept. 29 (106)	*From the Chargé in Ethiopia (tel.)* Suggestion that Department may wish to inform the Italian Ambassador of U. S. disappointment that Italy should turn its back on the whole postwar structure for the maintenance of peace in ruthless pursuit of expansionist aims.	768
Oct. 1 (62)	*To the Chargé in Ethiopia (tel.)* Résumé of steps taken by the U. S. Government in the interest of peace.	769
Oct. 10 (470)	*From the Consul at Geneva (tel.)* Report that Italian delegate to League drew parallel between Italy's present position and the British reservation to the Kellogg Pact. British informal memorandum (text printed) concerning the British reservation.	770
Oct. 11 (513)	*From the Ambassador in the United Kingdom (tel.)* Conversation with the Foreign Secretary, who suggested three alternative courses for action by the signatories of the Kellogg Pact.	772
Oct. 13	*To President Roosevelt (tel.)* Reply to President's inquiry as to exact language of Kellogg Pact under which it can be invoked; quotation of pertinent provisions, and summary of U. S. record relative to it. Submittal, for approval, of a draft telegram to the Ambassador in the United Kingdom (*infra*). (Footnote: President's approval of draft telegram.)	773
Oct. 14 (299)	*To the Ambassador in the United Kingdom (tel.)* Opinions in connection with possible courses of action under the Kellogg Pact.	775
Oct. 30 (147)	*From the Chargé in Ethiopia (tel.)* Summary of Ethiopian views on U. S. policies; Chargé's emphasis, in conversations with the Emperor and others, on fact that U. S. neutrality legislation has its origin in desire of the American people not to be drawn into war, and has no specific relation to Italo-Ethiopian dispute.	776
Oct. 31 (88)	*To the Chargé in Ethiopia (tel.)* Quotation of pertinent documents which clarify U. S. position relative to collective efforts among states for the preservation of peace.	777

ETHIOPIA

ETHIOPIAN-ITALIAN CONFLICT—Continued

IV. CANCELLATION BY THE STANDARD VACUUM OIL COMPANY OF A CONCESSION IN ETHIOPIA UPON THE ADVICE OF THE DEPARTMENT OF STATE

Date and number	Subject	Page
1935 Aug. 30 (84)	*From the Chargé in Ethiopia (tel.)* Advice of the signing of a petroleum concession between the Ethiopian Government and the African Exploration and Development Corp., understood to be a subsidiary of the Standard Vacuum Oil Co.; summary of terms.	778
Aug. 31	*From the British Chargé* Information that the British Government is not in favor of any agreement, such as the oil concession currently reported in the press, which might aggravate the Italo-Ethiopian controversy.	778
Aug. 31 (236)	*To the Ambassador in the United Kingdom (tel.)* Secretary's statement at press conference that United States had no advance information that the American firm was seeking an oil concession in Ethiopia.	779
Sept. 2 (86)	*From the Chargé in Ethiopia (tel.)* Opinion, expressed in reply to questions relative to oil concession, that the matter was purely commercial and without political significance; request for approval and guidance.	780
Sept. 3 (240)	*To the Ambassador in the United Kingdom (tel.)* Secretary's reply at press conference (text printed) that U. S. policy toward Italo-Ethiopian controversy will be maintained as before, regardless of oil concession transaction, which was made without consultation with the Government.	780
Sept. 3 (241)	*To the Ambassador in the United Kingdom (tel.)* Decision of Standard Vacuum Oil Company, after a conference of its representatives with the Secretary, to abandon concession; text of Secretary's statement to the press.	781
Sept. 3 (52)	*To the Chargé in Ethiopia (tel.)* Instructions to inform the Emperor of the situation, advising him that the company will transmit to him as soon as possible a formal written notice of intention to abandon concession.	782
Sept. 4 (88)	*From the Chargé in Ethiopia (tel.)* Conversation with the Emperor, who expressed his regret over the abandonment of the concession which he had intended as proof of his friendly feelings toward the United States; request for authorization to give certain assurances to the Emperor.	783
Sept. 5 (424)	*From the Chargé in the United Kingdom (tel.)* Expression of gratitude by Foreign Office officials for the prompt action of the Department.	783
Sept. 5 (53)	*To the Chargé in Ethiopia (tel.)* Authorization to give assurances to the Emperor, stressing the fact that U. S. intervention in the oil concession matter was motivated solely by the desire to preserve peace.	784

ETHIOPIA

ETHIOPIAN-ITALIAN CONFLICT—Continued

V. APPLICATION OF THE NEUTRALITY LAWS OF THE UNITED STATES

Date and number	Subject	Page
1935 Apr. 27	*Memorandum by the Chief of the Division of Near Eastern Affairs* Explanation to the Italian Ambassador, in reply to his representations, that the President is without authority, in the absence of specific legislation, to stop shipment of Ford motor cars to Ethiopia.	784
May 2	*Memorandum by the Under Secretary of State* Italian Ambassador's reference to reports that large supplies of arms and ammunition were being purchased by Ethiopia in the United States; Under Secretary's doubt that the reports are accurate.	786
June 15 (299)	*From the Chargé in Italy (tel.)* Information from Foreign Office official that Ethiopia has placed large orders for Ford and Chevrolet trucks, and his hope that some means might be found to discourage American manufacturers from filling such orders.	786
June 19 (305)	*From the Chargé in Italy (tel.)* Publication in Italian press of New York news despatch indicating U. S. decision to recall Chargé from Ethiopia and make a neutrality declaration.	787
June 19 (101)	*To the Chargé in Italy (tel.)* Advice that there are no treaties or statutes restricting the exportation of arms from the United States to either Italy or Ethiopia.	788
July 18 (60)	*From the Chargé in Ethiopia (tel.)* Emperor's public speech before Parliament denouncing Italian aggression, and his intention to go to the front; pledge of safety to foreigners.	788
July 23 (61)	*From the Chargé in Ethiopia (tel.)* Italian Minister's refusal to attend Emperor's birthday reception.	789
Aug. 28	*Memorandum by Mr. Joseph C. Green of the Division of Western European Affairs* Italian Ambassador's interpretation of Senate Joint Resolution 173—the neutrality legislation—as being directed, perhaps unintentionally, against Italy.	789
[Sept. 25]	*To President Roosevelt* Information that a proclamation has been drawn up in accordance with section 1 of the Joint Resolution of Congress approved August 31, proclaiming an embargo on arms destined to belligerents, in case hostilities break out. (Footnote: Information that undated proclamation was signed by the President, for use in case occasion should arise during his absence from Washington.)	790
Oct. 3	*To the Ambassador in the United Kingdom (circ. tel.)* Request for any information which would have a bearing upon the President's decision as to whether war has broken out or is in progress. (Footnote: The same, *mutatis mutandis*, to Paris, Rome, and Geneva; similar instruction to Addis Ababa.)	790

ETHIOPIA

ETHIOPIAN-ITALIAN CONFLICT—Continued

V. APPLICATION OF THE NEUTRALITY LAWS OF THE UNITED STATES—continued

Date and number	Subject	Page
1935		
Oct. 3 (644)	*From the Ambassador in Italy (tel.)* Italian press communiqué declaring Ethiopian general mobilization a threat to Italian troops in Africa, stating that the Italian High Command in Eritrea had been ordered to act, and that Italian troops are occupying advanced positions beyond their lines; Ethiopian Emperor's telegram informing League of Italian bombing raids, causing death of Ethiopian civilians.	791
Oct. 4 (647)	*From the Ambassador in Italy (tel.)* Press reports indicating the outbreak of hostilities; suggestion that, if reports seem sufficient to serve as basis for a neutrality proclamation, the proclamation be issued before the League Council takes action.	792
Oct. 4 (492)	*From the Ambassador in the United Kingdom (tel.)* Press reports of military operations in Ethiopia; inquiry at Foreign Office as to whether it considers that a state of war exists.	793
Oct. 4 (185)	*To the Minister in Switzerland (tel.)* Inquiry as to probability of League Council's deciding that a state of war exists in Ethiopia.	793
Oct. 4 (493)	*From the Ambassador in the United Kingdom (tel.)* Advice that British Government does not consider that a state of war exists.	794
Oct. 4 (285)	*To the Ambassador in the United Kingdom (tel.)* Instructions to ascertain basis of British view.	794
Oct. 4	*From President Roosevelt (tel.)* Instructions relative to neutrality proclamations and preparation of a draft statement to the public, in case issuance of proclamations becomes necessary.	794
Oct. 5 (111)	*From the Chargé in Ethiopia (tel.)* Information that technically no state of war exists.	795
Oct. 5 (498)	*From the Ambassador in the United Kingdom (tel.)* Information that attitude of British Government is based upon legal considerations since no declaration of war exists.	795
Oct. 5	*Memorandum by the Chief of the Division of Western European Affairs* Telephone conversation with the Counselor of Embassy in the United Kingdom, asking him to ascertain Foreign Office opinion on a statement (text printed) planned for simultaneous release with the President's arms embargo proclamation.	795
Oct. 5	*Memorandum by the Assistant to the Secretary of State* Telephone message from the Counselor of Embassy in London indicating that British Government has no objection to issuance of proclamations.	797
Oct. 5	*From President Roosevelt (tel.)* Authorization to take action on arms embargo proclamation.	797
Oct. 5	*To President Roosevelt (tel.)* Advice of readiness to act but awaiting further comment in reply to earlier message, *infra*.	798

ETHIOPIA

ETHIOPIAN-ITALIAN CONFLICT—Continued

V. APPLICATION OF THE NEUTRALITY LAWS OF THE UNITED STATES—continued

Date and number	Subject	Page
1935 Oct. 5 (11)	*To President Roosevelt (tel.)* Suggested statement (text printed) for simultaneous release with arms embargo proclamation, advising U. S. citizens to refrain from transactions with belligerents.	798
Oct. 5	*From President Roosevelt (tel.)* Approval of statement to accompany arms embargo proclamation; belief that a proclamation (under section 6 of Neutrality Act) relating to American passenger travel on belligerent vessels, should also be issued.	800
Oct. 5	*From President Roosevelt (tel.)* Further reasons why proclamation under section 6 should be issued.	800
Oct. 6	*To President Roosevelt (tel.)* Advice that proclamation regarding travel on belligerent ships was given to the press concurrently with arms embargo proclamation.	801
Oct. 6 (161)	*To the Ambassador in Italy (tel.)* Suggestion of precautionary measures to protect American citizens in case of Italian reaction against the President's proclamations.	801
Oct. 7	*Memorandum by the Chief of the Office of Arms and Munitions Control* Conversation with French Embassy official concerning powers of the President to extend embargo coverage, and future U. S. policy.	801
Oct. 9	*Memorandum by the Chief of the Office of Arms and Munitions Control* Inquiry from French Embassy about reports of detention at American ports of ships bound for Djibouti; explanation that reports were probably based on orders to customs officials to ensure enforcement of the President's embargo proclamation.	802
Oct. 9 (SC)A 14–6)	*From the Chief of Naval Operations* Despatch from Naval Attaché in Italy (text printed) inquiring whether American merchant vessels may be searched on the high seas by belligerents and whether rights under laws of war may be exercised.	803
Oct. 10	*Statement for the Press by the Secretary of State* Elaboration on the President's statement concerning Americans trading with belligerents at their own risk.	803
Oct. 10 (688)	*From the Ambassador in Italy (tel.)* Italian reaction to neutrality proclamation. Explanation to Suvich, who made inquiry, that the warning of Americans to refrain from traveling on belligerent ships was a measure to keep America out of the conflict.	804
Oct. 11	*To the Secretary of the Navy* Suggestion that Naval Attaché in Rome be informed that since a state of war exists between Italy and Ethiopia, both countries are entitled to belligerent rights.	804

ETHIOPIA

ETHIOPIAN-ITALIAN CONFLICT—Continued

V. APPLICATION OF THE NEUTRALITY LAWS OF THE UNITED STATES—continued

Date and number	Subject	Page
1935 Oct. 15	*Memorandum by the Chief of the Division of Near Eastern Affairs* Suggestion that U. S. position be clarified to the Ambassador in Italy in view of his statements (text printed) relative to U. S. policy in case of a conflict between Great Britain and Italy.	805
Oct. 16 (174)	*To the Ambassador in Italy (tel.)* Comments on phraseology of the Neutrality Act indicating the President's wide discretionary powers; emphasis on importance of not interpreting or undertaking to announce U. S. possible future attitude or course of action.	806
Oct. 16	*Memorandum by the Under Secretary of State of a Conversation With the Italian Ambassador* Ambassador's concern over Federal Reserve Bank's inquiry relative to Italian banking operations, and over alleged one-sided operation of the Neutrality Act. Under Secretary's explanation of background and operation of U. S. neutrality policy.	807
Oct. 17	*Memorandum by the Under Secretary of State* Conversation with the Acting Secretary of the Treasury, who explained the activities of the Federal Reserve Bank which had caused Italian Ambassador's concern. (Explanation conveyed to the Ambassador orally.)	810
Oct. 18 (135)	*From the Chargé in Ethiopia (tel.)* Request by the Foreign Minister, as head of the Ethiopian Red Cross, that permission be granted for the exportation of several American ambulance planes for use in Ethiopia.	811
Oct. 18 (78)	*To the Chargé in Ethiopia (tel.)* Advice that the President has no authority to permit exceptions to section 1 of the Neutrality Act and that exportation of airplanes for use of Ethiopian Red Cross would be contrary to law.	811
Oct. 22	*Memorandum by the Chief of the Division of Near Eastern Affairs* Telephone conversation with Ethiopian Consul General, informing him of the illegality of plane shipments to Ethiopia through Canada.	811
Oct. 30	*Statement to the Press by President Roosevelt* Summary of steps taken to enforce Neutrality Resolution; belief that Americans will refrain from taking advantage of tempting trade opportunities which would prolong war; indication that the Government is keeping informed on exports to both belligerents.	812
Oct. 30	*Statement for the Press by the Secretary of State* Indication that Government is keeping track of exports to belligerent countries; restatement of U. S. position on trade with the belligerents.	813
Nov. 5 (195)	*To the Ambassador in Italy (tel.)* Request for views on the effect which imposition of sanctions may have on living conditions in Italy and on Americans residing there; information for use in answering inquiries as to desirability of American travel in Italy.	813

ETHIOPIA

ETHIOPIAN-ITALIAN CONFLICT—Continued

V. APPLICATION OF THE NEUTRALITY LAWS OF THE UNITED STATES—continued

Date and number	Subject	Page
1935 Nov. 6 (804)	*From the Ambassador in Italy (tel.)* Italian determination to boycott countries applying sanctions; evidence that purchases are shifting from British to American firms.	814
Nov. 7 (811)	*From the Ambassador in Italy (tel.)* Reply to inquiry as to effect of imposition of sanctions.	815
Nov. 13 (200)	*To the Ambassador in Italy (tel.)* Request that American Consulates in Italy be instructed to suspend all activities in connection with trade promotion and to inform American exporters that the Department cannot facilitate trade with the belligerents. (Similar telegram to the Minister Resident in Ethiopia.)	818
Nov. 15	*Statement by the Secretary of State Regarding Transactions With Belligerents* Reiteration of U. S. policy, and comment on recent increase in export of certain commodities as contrary to this policy and to the spirit of the Neutrality Act.	819
Nov. 18	*Memorandum by the Chief of the Division of Western European Affairs* Representations by the Italian Ambassador concerning the shipment of fuel oil contracted for by Italy to be shipped in the tanker *Ulysses*; explanation that ships on which the U. S. Government holds mortgages or liens cannot be subjected to risks of trade with the belligerents.	819
Nov. 18 (843)	*From the Ambassador in Italy (tel.)* Changing attitude in Italy toward the United States, placing United States in category with sanctionist countries, due to American policy of prevention of trade with belligerents.	820
Nov. 19 (204)	*To the Ambassador in Italy (tel.)* Emphasis on fact that all U. S. measures have been taken independently and are in accordance with the spirit and intent of the Neutrality Act and can in no sense be considered in the nature of sanctions.	821
Nov. 21 (848)	*From the Ambassador in Italy (tel.)* Suvich's objection to Secretary's statement of November 15 as a departure from strict neutrality; explanation of U. S. point of view. Request for guidance with regard to the treaty of 1871, in case any inquiries are made.	822
Nov. 22	*Memorandum by the Secretary of State* Italian Ambassador's presentation of his Government's view that the various U. S. official declarations, particularly the Secretary's statement of November 15, were an extension and aggravation of the meaning of the Neutrality Act of August 31, principally detrimental to Italy, and were also contrary to the letter and spirit of the treaty of 1871; detailed account of conversation. (Footnote: Excerpts from memorandum telegraphed to Rome and Addis Ababa; also to Paris for transmission to Berlin, Geneva, and London.)	826

ETHIOPIA

ETHIOPIAN-ITALIAN CONFLICT—Continued

V. APPLICATION OF THE NEUTRALITY LAWS OF THE UNITED STATES—continued

Date and number	Subject	Page
1935 Nov. 22	*Memorandum by the Chief of the Office of Arms and Munitions Control* Conversation with the Italian Ambassador, who made representations in regard to the tanker *Ulysses*, and denounced Great Britain for her part in the application of sanctions.	833
Dec. 11	*Memorandum by the Assistant Secretary of State* President's desire to leave the decision in the *Ulysses* question to the Departments of State and Commerce. (Footnote: Decision of the two Departments to allow the vessel to proceed.)	835

VI. REFUSAL OF THE UNITED STATES TO ASSOCIATE ITSELF WITH LEAGUE OF NATIONS SANCTIONS AGAINST ITALY

1935 Sept. 18 (588)	*From the Ambassador in Italy (tel.)* Expression of hope that the U. S. Government will not associate itself with sanctions if invoked at Geneva, but will follow an independent course.	836
Sept. 20 (262)	*To the Chargé in the United Kingdom (tel.)* Advice that recent Joint Resolution of Congress provides for an arms embargo to belligerent nations, and that the United States would not join in the imposition of sanctions upon any nation involved in Italo-Ethiopian controversy. (Request that copies be sent to Paris and Geneva.)	836
Oct. 3 (412)	*From the Consul at Geneva (tel.)* Assertion by a Council member that "some consideration" is being given to soliciting American participation in possible operations by airplane of "impartial observers."	838
Oct. 8 (448)	*From the Consul at Geneva (tel.)* Account of views of various countries on non-member participation in contemplated sanctions committee.	838
Oct. 8 (323)	*From the Minister in Switzerland (tel.)* Informal talk with two officials of the French Foreign Office, during which sanctions and general political matters were considered.	839
Oct. 9 (325)	*From the Minister in Switzerland (tel.)* Analysis of the pros and cons of possible U. S. participation in the work of the Committee of Coordination, and information that invitation might come immediately.	841
Oct. 9 (188)	*To the Minister in Switzerland (tel.)* Advisability of League's realization that United States has already taken definite policy steps and is disposed to pursue an independent course; instructions to convey this point of view to Secretary General and selected delegations. (Sent also to Paris and London.)	843
Oct. 10 (326)	*From the Minister in Switzerland (tel.)* Conversation with Secretary General, and with British and French representatives, who agreed that they would not acquiesce in the issuance of an invitation to the United States.	843

ETHIOPIA

ETHIOPIAN-ITALIAN CONFLICT—Continued

VI. REFUSAL OF THE UNITED STATES TO ASSOCIATE ITSELF WITH LEAGUE OF NATIONS SANCTIONS AGAINST ITALY—continued

Date and number	Subject	Page
1935 Oct. 12 (420)	*To the Chargé in France (tel.)* Tran mittal of condensed commentaries on Italo-Ethiopian dispute from American missions in Geneva and London as an appraisal of the current situation. (Instructions to repeat partially to Geneva and entirely to Rome.)	844
Oct. 15 (508)	*From the Consul at Geneva (tel.)* Intention, unless otherwise instructed, to discourage the Committee of Coordination from approaching the United States in regard to measures now being formulated.	845
Oct. 17 (129)	*To the Consul at Geneva (tel.)* Instructions to counteract European newspaper rumors of U. S. cooperation with foreign governments or peace agencies by imparting information on U. S. policy, including the fact that the U. S. Government is proceeding on its own initiative, independently of others. (To be repeated to London, Paris, and Rome.)	846
Oct. 20 (336)	*From the Minister in Switzerland (tel.)* Information of a proposed statement to be made by the chairman in a meeting of the Committee of Eighteen, arguing "community of interests, material and moral" of signatories of the Kellogg Pact.	848
Oct. 21 (338)	*From the Minister in Switzerland (tel.)* Communication to the Secretary of State (text printed) from Vasconcellos, President of the Committee of Coordination, transmitting documents relative to Italo-Ethiopian dispute, and inviting comments or notifications of any action taken.	849
Oct. 22 (539)	*From the Consul at Geneva (tel.)* List of ten other non-member countries to which Vasconcellos' communication was sent.	850
Oct. 22	*Memorandum by the Under Secretary of State* Inquiry of the Italian Ambassador concerning possible nature of U. S. reply to Vasconcellos' communication, and his indication of the attitude of other countries relative to sanctions against Italy.	850
Oct. 26 (193)	*To the Minister in Switzerland (tel.)* Reply to be made to the President of the Committee of Coordination (text printed), indicating U. S. policy in Italo-Ethiopian controversy; information that text is being released to the press on October 27.	852
Nov. 2 (343)	*From the Minister in Switzerland (tel.)* Vasconcellos' acknowledgment (text printed) of U. S. note of October 26.	854
Nov. 4 (195)	*To the Minister in Switzerland (tel.)* Reference to press reports that Coordination Committee is considering a proposal to prohibit shipments of certain commodities to Italy; instructions as to U. S. position if inquiries are made.	854

ETHIOPIA

ETHIOPIAN-ITALIAN CONFLICT—Continued

VI. REFUSAL OF THE UNITED STATES TO ASSOCIATE ITSELF WITH LEAGUE OF NATIONS SANCTIONS AGAINST ITALY—continued

Date and number	Subject	Page
1935 Nov. 5	*Memorandum by the Chief of the Division of Western European Affairs* Telephone conversation with the Minister in Switzerland, stressing importance of the Coordination Committee's avoiding any approach to U. S. Government in connection with its plans for an embargo on coal, iron, steel, and oil to Italy.	855
Nov. 6 (349)	*From the Minister in Switzerland (tel.)* Suggestion of an immediate announcement that publicity will be given to U. S. shipments to belligerents.	857
Nov. 6 (196)	*To the Minister in Switzerland (tel.)* Advice that full details of U. S. trade with belligerents will be available promptly.	858
Nov. 7 (352)	*From the Minister in Switzerland (tel.)* Transmittal of a letter from Vasconcellos (text printed) together with enclosed documentation of the first and second sessions of the Coordination Committee.	858
Nov. 20 (353)	*From the Minister in Switzerland (tel.)* Information that Vasconcellos is considering postponement of meeting of Committee of Eighteen, which was to act on embargo extension, for fear of jeopardizing negotiations by the British and French with Mussolini.	858
Nov. 20 (76)	*To the Minister in Switzerland (tel.)* View that any procedure in connection with the Committee program would have no relation to any action taken by U. S. Government.	859
Undated	*Memorandum of Trans-Atlantic Telephone Conversation* Between the Chief of the Division of Western European Affairs and the Counselor of Embassy in London, November 27: Department's concern over press reports indicating U. S.-British agreement on oil sanctions against Italy; advisability of explaining to press representatives that the independence of American policy precludes any such action.	859
Nov. 29 (625)	*From the Consul at Geneva (tel.)* Comments by Secretary General on postponement of the meeting of the Committee of Eighteen, and his opinion that the French did not wish to face the oil embargo issue.	862
Nov. 30 (629)	*From the Consul at Geneva (tel.)* Inquiry by British member of the Experts Committee as to U. S. position on questions concerning action on an extension of the embargo against Italy; reply that the United States could not take a position on matters solely within competence of the League.	864
Nov. 30	*From the British Embassy* British appreciation of U. S. efforts to prevent the exploitation of war for private profit; suggestion that it might be wise to postpone the actual oil embargo in view of British negotiations with Mussolini for a peaceful settlement.	865

ETHIOPIA

ETHIOPIAN-ITALIAN CONFLICT—Continued

VI. REFUSAL OF THE UNITED STATES TO ASSOCIATE ITSELF WITH LEAGUE OF NATIONS SANCTIONS AGAINST ITALY—continued

Date and number	Subject	Page
1935 Dec. 2	*Memorandum by the Secretary of State* Explanation to British Ambassador that U. S. neutrality policy had been developed independently and without any relationship to sanctions or other movements of other governments or the League.	866
Dec. 2	*Memorandum by the Secretary of State* Representations by the Italian Ambassador implying that the United States was in some material way tied up with the sanctions movement.	867
Dec. 2 (141)	*To the Consul at Geneva (tel.)* Reference to Consul's recent conversations with Vasconcellos, and concern over European press reports linking U. S. actions with steps taken by the League; request that U. S. position be clarified.	869
Dec. 4 (638)	*From the Consul at Geneva (tel.)* Information that Vasconcellos derives what he believes to be U. S. policy from unofficial sources.	870
Dec. 4 (144)	*To the Consul at Geneva (tel.)* Instructions to discuss U. S. policy with Vasconcellos at earliest opportunity.	871
Dec. 5	*From the British Embassy* Concern over large increase in American oil exports to Italy, and its relation to possible League sanctions; implied question as to U. S. future course.	871
Dec. 7	*Memorandum by the Secretary of State* Reply to British Ambassador (text printed) pertaining to U. S. policy on shipments of oil and other essential war materials to belligerents.	872
Dec. 10 (644)	*From the Consul at Geneva (tel.)* Conversation with Vasconcellos in which the application of an oil embargo againt Italy was discussed, and U. S. policy concerning the Italo-Ethiopian situation made clear.	874
Dec. 21 (639)	*From the Ambassador in the United Kingdom (tel.)* Advice that, on representations of Yugoslav Government, the British Government proposes to grant to Yugoslavia, for the duration of sanctions, certain trade concessions; British trust that United States will waive its most-favored-nation rights.	875
Dec. 23 (398)	*To the Ambassador in the United Kingdom (tel.)* Instructions to inform Foreign Office that in pursuit of its independent policy relative to Italo-Ethiopian controversy, the U. S. Government must reserve its most-favored-nation rights.	876
Dec. 31 (643)	*From the Ambassador in the United Kingdom (tel.)* Advice that British trade arrangement with Yugoslavia became effective December 24.	876

ETHIOPIA

ETHIOPIAN-ITALIAN CONFLICT—Continued

VII. PROTECTION OF AMERICAN LIFE AND PROPERTY IN ETHIOPIA

Date and number	Subject	Page
1935		
June 26 (27)	*To the Chargé in Ethiopia (tel.)* Concern over safety of American nationals in the event of hostilities, and discussion of plans for their evacuation.	876
June 29 (49)	*From the Chargé in Ethiopia (tel.)* Information that some American missionaries are prepared to depart immediately, but that a certain number will insist on remaining.	877
July 2 (29)	*To the Chargé in Ethiopia (tel.)* Instructions for evacuation of American nationals; information of availability of funds for evacuation of indigent Negro citizens.	878
July 2	*To the Consul at Port Said (tel.)* Instructions to secure transportation to New York for ten indigent American Negro citizens.	878
July 6 (54)	*From the Chargé in Ethiopia (tel.)* Information concerning difficulties in the attempt to evacuate missionaries; Emperor's promise of all protection possible for foreigners.	879
Aug. 6 (70)	*From the Chargé in Ethiopia (tel.)* Summary of British plan for protection of British missionaries; intention to make similar arrangements unless instructed otherwise.	879
Aug. 6 (41)	*To the Chargé in Ethiopia (tel.)* Instructions to advise Americans to leave Ethiopia immediately, but approval of participation in British plan to aid those who insist on remaining.	880
Aug. 10 (44)	*To the Chargé in Ethiopia (tel.)* Advice that missionary organizations in United States are being urged to take steps toward immediate departure of their personnel from Ethiopia.	880
Aug. 14 (73)	*From the Chargé in Ethiopia (tel.)* Reasons for reluctance of missionaries to leave; views on safety of foreigners.	881
Aug. 23	*Memorandum by the Chief of the Division of Near Eastern Affairs* Discussion with Navy representatives, at instigation of the President, of the question of sending a naval vessel to Djibouti to maintain communications with the Legation at Addis Ababa.	882
Aug. 24 (345)	*To the Chargé in France (tel.)* Instructions to ascertain whether French authorities would object to the early dispatch to Djibouti of an American cruiser equipped to communicate with Addis Ababa and the United States.	883
Aug. 27 (83)	*From the Chargé in Ethiopia (tel.)* Assurance that the city remains calm, despite fantastic rumors broadcast by foreign correspondents, and that no immediate evacuation has been ordered.	884
Aug. 29	*From the Secretary of the International Missionary Council* Inquiries relative to the exemption of medical missionaries from recall and their service with the Ethiopian Red Cross.	884

ETHIOPIA

ETHIOPIAN-ITALIAN CONFLICT—Continued

VII. PROTECTION OF AMERICAN LIFE AND PROPERTY IN ETHIOPIA—continued

Date and number	Subject	Page
1935		
Aug. 29 (741)	*From the Chargé in France (tel.)* French disinclination to grant permission for stationing an American cruiser in Djibouti.	885
Sept. 5 (242)	*To the Chargé in the United Kingdom (tel.)* Instructions to inquire whether British authorities would object to the presence of an American cruiser at Aden in order to relay messages from Addis Ababa to Washington.	885
Sept. 6 (427)	*From the Chargé in the United Kingdom (tel.)* British willingness to permit an American war vessel to anchor at Aden.	886
Sept. 6	*From the Chief of the Division of Near Eastern Affairs to the Assistant Secretary of State* Opinion that problems might arise from dispatch of a war vessel to a troubled area, and suggestion that a telegram (*infra*) be sent to the Chargé in the United Kingdom.	886
Sept. 6 (245)	*To the Chargé in the United Kingdom (tel.)* Instructions to inquire whether British authorities would be willing to authorize U. S. use of British radio facilities at Aden, or to permit installation of a relay set at the American Consulate there.	887
Sept. 11	*To the Secretary of the International Missionary Council* Reply to inquiry of August 29, citing article 11 of the Red Cross Convention of 1929, and indicating that continued presence of American missionaries in Ethiopia is not conducive to the best interests of the United States.	887
Sept. 12 (434)	*From the Chargé in the United Kingdom (tel.)* British Admiralty's view that the outer harbor at Aden would provide suitable anchorage for a cruiser.	888
Sept. 14	*Memorandum by the Chief of the Division of Near Eastern Affairs* Conversation with the Chief of Naval Operations who indicated that a suitable radio set would be installed in the Legation at Addis Ababa for maintaining effective communication between United States and Ethiopia.	889
Sept. 25 (466)	*From the Ambassador in the United Kingdom (tel.)* Information that the British Admiralty is prepared to relay U. S. Government messages between U. S. Legation at Addis Ababa and Aden wireless station at certain specified hours.	890
Sept. 28	*Memorandum by the Assistant Chief of the Division of Near Eastern Affairs* Suggestion by Navy Department official that the matter of use of British Government facilities at Aden be left in abeyance pending further study of U. S. facilities.	890
Oct. 1 (279)	*To the Ambassador in the United Kingdom (tel.)* Advice that the Navy Department hopes to communicate directly between Addis Ababa and Washington, but would like to have British offer left open for possible future use. (Footnote: Information that direct communications were established October 29.)	891

ETHIOPIA

ETHIOPIAN-ITALIAN CONFLICT—Continued

VII. PROTECTION OF AMERICAN LIFE AND PROPERTY IN ETHIOPIA—continued

Date and number	Subject	Page
1935		
Oct. 3 (108)	*From the Chargé in Ethiopia (tel.)* Ethiopian proclamation of general mobilization, and start of hostilities; arrangements for protection of American nationals.	891
Oct. 4 (154)	*To the Ambassador in Italy (tel.)* Information that American institutions in Ethiopia have been advised to display large American flags on roofs of their buildings; instructions to express to Foreign Office hope that Italian military authorities in East Africa may be advised.	892
Oct. 6 (115)	*From the Chargé in Ethiopia (tel.)* Decision of Diplomatic Corps to ask their respective Governments to impress on Italy the fact that Addis Ababa and Diredawa are open cities, containing several thousand foreign nationals.	892
Oct. 11 (168)	*To the Ambassador in Italy (tel.)* Request for report of any action taken by Governments represented at Addis Ababa concerning the bombardment of open cities.	892
Oct. 12 (693)	*From the Ambassador in Italy (tel.)* Information that as yet no Government except France has made representations, although several Ambassadors have received instructions.	893
Oct. 12 (697)	*From the Ambassador in Italy (tel.)* Advice that representatives of all foreign Governments represented at Addis Ababa have made oral representations concerning the bombardment of open cities, based, with one exception, on humanitarian motives.	893
Oct. 12 (170)	*To the Ambassador in Italy (tel.)* Instructions to make oral representations on humanitarian grounds.	894
Oct. 14 (708)	*From the Ambassador in Italy (tel.)* Compliance with Department's instructions for oral representations regarding bombardment of open cities.	894
Oct. 16 (175)	*To the Ambassador in Italy (tel.)* Inquiry as to whether representations of all diplomatic representatives included the word "bombardment".	894
Oct. 17 (729)	*From the Ambassador in Italy (tel.)* Reply that the matter of bombardment was specifically mentioned in representations, but that emphasis was placed on the open character of the cities.	894
Oct. 17 (731)	*From the Ambassador in Italy (tel.)* Receipt of information that Italy will issue a communiqué stating intention not to move on either of the open cities provided no advantage is taken to assemble troops and ammunition there.	895
Nov. 18 (605)	*From the Consul at Geneva (tel.)* Advice of contributions for Ethiopian Red Cross from Red Cross organizations of various countries; Italian attitude toward the organization "American Aid for Ethiopia", based on articles 10 and 11 of the Geneva Convention of 1906.	895

ETHIOPIA

ETHIOPIAN-ITALIAN CONFLICT—Continued

VII. PROTECTION OF AMERICAN LIFE AND PROPERTY IN ETHIOPIA—continued

Date and number	Subject	Page
1935 Dec. 6 (209)	*From the Chargé in Ethiopia (tel.)* Advice that Dessie was bombed by Italian planes and that American Seventh Day Adventist Hospital, marked with Red Cross, had been struck.	896
Dec. 7 (641)	*From the Consul at Geneva (tel.)* Ethiopian Emperor's telegram to the League, protesting against Italian indiscriminate air bombardments.	897
Dec. 7 (211)	*From the Chargé in Ethiopia (tel.)* Report that some 40 incendiary and explosive bombs were dropped on American mission and hospital compound at Dessie although hospital was easily distinguishable by red crosses and large American flag.	897
Dec. 8 (212)	*From the Chargé in Ethiopia (tel.)* Statement signed by two American doctors of the American mission at Dessie describing damage by Italian air raid on hospital and ambulances clearly marked with red crosses.	898
Dec. 9 (888)	*From the Ambassador in Italy (tel.)* Editorial in Italian newspaper *Messaggero*, stating that reports about the bombardment of an American Red Cross hospital at Dessie were pure anti-Italian propaganda.	898
Dec. 9 (890)	*From the Ambassador in Italy (tel.)* News despatch in *Piccolo* (excerpt printed) stating that Italian planes attacked not a city but a military base bristling with cannons and machine guns.	899
Dec. 9 (129)	*To the Chargé in Ethiopia (tel.)* Inquiry as to affiliation of the mission hospital at Dessie with the Ethiopian Red Cross, in order to determine right of hospital to use Red Cross emblem.	899
Dec. 9 (145)	*To the Consul at Geneva (tel.)* Request for any information available at Geneva pertinent to bombing of the American hospital at Dessie and to question of its affiliation with International Red Cross.	900
Dec. 10 (645)	*From the Consul at Geneva (tel.)* Information relative to the bombing of Dessie, including a summary of the Italian position, and a statement of the International Red Cross that the American mission hospital at Dessie is affiliated with the Ethiopian Red Cross and entitled to Red Cross protection.	900
Dec. 11 (218)	*From the Chargé in Ethiopia (tel.)* Enumeration of hospitals incorporated in the Ethiopian Red Cross and registered at Geneva as such.	902
Dec. 12	*Memorandum by the Chief of the Division of Near Eastern Affairs to the Secretary of State* Analysis of the question presented by the bombardment of the American mission hospital at Dessie; conclusion that it would be wise to refrain from making any protest to the Italian Government at this time.	903
Dec. 27 (1541 Pol.)	*From the Consul at Geneva* Reasons for disinclination of the International Committee of the Red Cross to press the matter of the bombardment of the Dessie hospital any further.	905

IRAN

Preliminary Discussions Respecting a Trade Agreement Between the United States and Iran

Date and number	Subject	Page
1935 Apr. 2	*Memorandum by the Assistant Chief of the Division of Near Eastern Affairs* Conversation between the Iranian Minister and the Assistant Secretary of State regarding a proposed U. S.-Iranian trade agreement in which Iranian willingness was indicated to reduce or eliminate the "exporters exchange" for automotive dealers in return for reduced U. S. import duty on Iranian rugs.	909
Apr. 18	*Memorandum by the Under Secretary of State* Receipt of further instructions by the Iranian Minister from his Government to press for a trade agreement; his desire for reduction of U. S. tariff on Iranian rugs, dried fruit and caviar, and reminder that U. S. automotive products are on the free list.	910
May 15 (14)	*To the Minister in Iran (tel.)* Instructions to inform Foreign Ministry that the Legation is prepared to initiate formal trade discussions subject to certain conditions.	910
Nov. 21 (37498/4083)	*From the Iranian Ministry for Foreign Affairs to the American Legation in Iran* Iranian willingness to leave unchanged, for a 5-months' period, the present condition of automobile trade in order to enable the U. S. Government to determine a possible tariff reduction on Iranian rugs.	912
Dec. 14	*Memorandum by the Second Secretary of Legation in Iran to the Minister* Comprehensive summary, with tabulation, of existing trade with Iran, and conclusion that both countries would benefit from a trade agreement.	913

Reservation of American Rights Against Iran's Attempt by Unilateral Action To Extend Its Exclusive Jurisdiction Over Coastal Waters Beyond the Three-Mile Limit

1934 Aug. 28 (193)	*From the Minister in Persia* Transmittal of a new law (text printed), approved by the Maglis on July 15, 1934, delimiting coastal waters of Persia; reference to U. S. interest because of claims of Persia for sovereignty over the Islands of Bahrein. (Footnote: Discontinuance of use of the name "Persia" on March 22, 1935.)	916
1935 Feb. 12	*From the Secretary of the Navy* Recommendation that the United States decline to recognize any legislation issued by a foreign government which does not conform to the generally accepted principle which limits territorial waters of a state to three marine miles.	918
Mar. 25 (108)	*To the Minister in Iran* Instructions to deliver to the Foreign Minister a note (text printed) setting forth U. S. attitude with respect to the provisions of the law of July 15, 1934.	918

LIBERIA

RECOGNITION BY THE UNITED STATES OF THE ADMINISTRATION OF PRESIDENT BARCLAY UPON EVIDENCE OF THE LIBERIAN GOVERNMENT'S INTENTION TO CARRY OUT CERTAIN REFORMS

Date and number	Subject	Page
1935		
Jan. 16 (2)	*From the Chargé in Liberia (tel.)* For Harry A. McBride, Assistant to the Secretary of State: Information as to difficulties between the Kru tribe and the Liberian Government, and request for views and instructions in connection with British Chargé's proposal of a settlement.	920
Jan. 17 (17)	*From the British Ambassador* British agreement with U. S. views, expressed in note of October 17, 1934, that President Barclay is entitled to proceed with his own reform plan; continued British preoccupation with problem of the Kru tribes.	921
Jan. 25	*Memorandum by the Chief of the Division of Western European Affairs* Telephone conversation with First Secretary of the British Embassy, during which differences in U. S. and British approach to the Liberian problems were discussed.	923
Jan. 25 (1)	*To the Chargé in Liberia (tel.)* Summary of British position on Liberian problems and U. S. view that settlement of the Kru difficulty is but one factor in the rehabilitation of the country; instructions as to cooperation with the British in the Kru matter.	924
Mar. 7 (4)	*From the Chargé in Liberia (tel.)* Forthcoming conference between Barclay and Firestone to take up supplementary agreement to Loan Agreement of 1926. Advice that opposition party in national convention chose ex-President King to run against Barclay.	925
Mar. 16	*Agreement Between the Government of Liberia and the Finance Corporation of America* Text of agreement, with annexes.	925
Mar. 20	*Agreement Between the Government of Liberia and Firestone Plantations Company* Text of agreement.	940
Apr. 3	*To the British Ambassador* U. S. intention, in view of improved conditions in Liberia, to favor recognition of President Barclay's administration, assuming that the Liberian Congress acts favorably on the Agreements of March 16 and 20 and repeals repudiationist legislation; hope that the British Government may wish to consider recognition simultaneously.	943
May 11	*Memorandum by the Chief of the Division of Western European Affairs* Indication to British Embassy member that Barclay has been elected President, and U. S. reasons for favoring prompt recognition; hope that British Government will consider early recognition.	944
May 14 (5)	*To the Chargé in Liberia (tel.)* Inquiry as to whether there are any reasons to delay recognition after receipt of information that the Liberian Congress has withdrawn its repudiationist legislation.	945
May 17 (14)	*From the Chargé in Liberia (tel.)* Opinion that there are no reasons to delay recognition following certain steps by the Liberian Congress.	946

LIBERIA

RECOGNITION BY THE UNITED STATES OF THE ADMINISTRATION OF PRESIDENT BARCLAY UPON EVIDENCE OF THE LIBERIAN GOVERNMENT'S INTENTION TO CARRY OUT CERTAIN REFORMS—Continued

Date and number	Subject	Page
1935		
May 20 (140)	*From the British Ambassador* British acknowledgment of present Liberian administration's endeavor to improve internal conditions, but unwillingness to consider recognition in the absence of a settlement of the Kru question.	946
June 3 (8)	*To the Chargé in Liberia (tel.)* Request for information as to prospects for early repeal of repudiationist legislation; President's approval of recognition of Barclay regime after repeal.	947
June 6 (17)	*From the Chargé in Liberia (tel.)* Advice of Liberian Legislature's action in ratifying the Firestone agreements and repealing all repudiationist legislation; also of British refusal to recognize Barclay regime until Kru question has been satisfactorily settled.	947
June 8 (18)	*From the Chargé in Liberia (tel.)* Signing of the bills covering the Firestone agreements and repeal legislation by President Barclay.	948
June 8 (133)	*To the Ambassador in Great Britain (tel.)* Instructions to express regret to Foreign Office that Great Britain is not joining the United States in recognizing President Barclay's administration.	948
June 8 (9)	*To the Chargé in Liberia (tel.)* Note of recognition (text printed) to be presented to President Barclay on June 11; commendation of Chargé's work.	949

MOROCCO

OBJECTION OF THE UNITED STATES TO PROPOSED MODIFICATION OF THE CUSTOMS REGIME IN THE FRENCH ZONE OF MOROCCO

1935		
Jan. 4 (1)	*From the Chargé in the United Kingdom (tel.)* Information concerning British proposed exchange of notes with France relative to establishment of a quota system in Morocco, and their opinion that the agreement could not have any bearing on U. S. treaty rights or those of any other power in Morocco.	951
Jan. 7 (135)	*From the Chargé in the Netherlands* Netherland intention to protest French quota system in Morocco upon information that the United States is making such a protest.	952
Jan. 9 (5)	*To the Chargé in the United Kingdom (tel.)* Instructions to inquire of the British if it is not their understanding that the proposed exchange of notes is but the initial step toward establishment of a general quota system which would necessitate individual bargaining with France by all nations wishing to trade with Morocco.	953

MOROCCO

OBJECTION OF THE UNITED STATES TO PROPOSED MODIFICATION OF THE CUSTOMS REGIME IN THE FRENCH ZONE OF MOROCCO—Continued

Date and number	Subject	Page
1935		
Jan. 9 (11)	*To the Ambassador in France (tel.)* Instructions for conversation with the Foreign Ministry with respect to expiration of the Franco-British accord of 1904.	954
Jan. 12 (13)	*From the Chargé in the United Kingdom (tel.)* British attitude on special bargaining rights with the French based on their treaties of 1856 with Morocco, and opinion as to the abrogation of extraterritorial rights in Morocco.	954
Jan. 15 (42)	*From the Ambassador in France (tel.)* Foreign Office explanation of proposed quota system and tariff changes in Morocco; willingness to conclude agreements with all other signatories of the Act of Algeciras, including United States.	955
Jan. 16 (1529)	*From the Ambassador in France* French memorandum and appendix (texts printed) treating in detail the contemplated Moroccan tariff and quota matters.	957
Jan. 24	*Memorandum by the Chief of the Division of Western European Affairs* Indication to the Belgian Ambassador, upon his inquiry, of conditions under which United States might agree to a reasonable increase in the Moroccan tariff rates.	961
Jan. 26 (31)	*From the Chargé in Italy (tel.)* Franco-Italian discussion relative to a Moroccan quota system; Italian unwillingness to abandon treaty principles, but willingness to discuss establishment of some quota system.	962
Jan. 30 (41)	*From the Chargé in the United Kingdom (tel.)* Advice that Franco-British notes regarding the French Zone of Morocco and Tangier Zone were exchanged on January 29, the effective date to be fixed later.	963
Jan. 31 (79)	*From the Ambassador in France (tel.)* Discussion with a French official of U. S. complaints regarding French violations of Moroccan treaties; his desire to know as soon as possible the U. S. attitude toward French proposals (transmitted in despatch No. 1529, January 16).	963
Feb. 2 (43)	*From the Ambassador in Italy (tel.)* Tentative Franco-Italian agreement on establishment of a Moroccan quota system and increase in customs duties.	964
Feb. 9 (47)	*To the Ambassador in France (tel.)* Explanation of U. S. attitude, in reply to telegram No. 79, January 31.	965
Feb. 19 (61)	*To the Ambassador in France (tel.)* Instructions to advise French Government that its proposals are out of harmony with the principle of commercial equality as guaranteed in the Act of Algeciras and with U. S. general trade policy.	966
Feb. 19 (1645)	*From the Ambassador in France* Two memoranda on the contemplated economic reforms in Morocco (texts printed), and recommendation that United States agree to negotiate with the French.	966

MOROCCO

OBJECTION OF THE UNITED STATES TO PROPOSED MODIFICATION OF THE CUSTOMS REGIME IN THE FRENCH ZONE OF MOROCCO—Continued

Date and number	Subject	Page
1935		
Mar. 1 (171)	*From the Ambassador in France (tel.)* French request that United States reconsider objections to the contemplated reforms; indication that French Government is determined to put reforms into effect.	972
Mar. 16 (92)	*To the Ambassador in France (tel.)* U. S. unwillingness to change decision, and instructions to lodge formal protest based on the Act of Algeciras and other treaties.	973
Mar. 18 (213)	*From the Ambassador in France (tel.)* Suggestion that formal protest be deferred until certain developments in the double taxation matter are known.	974
Mar. 29 (39)	*From the Consul at Casablanca* Opposition of Moroccan trade organizations to French economic reform proposals; opinion that in view of the deficiencies of the proposal it may be shelved as unworkable and undesirable.	974
Mar. 30 (828)	*To the Chargé in France* Observation of contradictory statements of French officials concerning the purpose for economic reforms in Morocco.	977
Apr. 8 (1767)	*From the Ambassador in France* Delivery of U. S. protest against the institution of proposed modifications of the present customs regime in Morocco.	978
Apr. 11 (1359)	*From the Ambassador in the United Kingdom* Foreign Office receipt of "indications" that the French Government had decided to abandon efforts to modify the Moroccan customs regime.	979
Apr. 30	*From the Danish Legation* Desire for information on U. S. attitude toward French efforts to modify the Moroccan customs regime.	979
May 1 (809)	*To the Ambassador in the United Kingdom* Advice that U. S. Government has received no official information as to French abandonment of proposed Moroccan economic reforms.	980
May 6	*From the French Ministry for Foreign Affairs to the American Embassy in France* Detailed statement, in reply to U. S. protest, explaining reasons for proposed reforms in Morocco, and expressing hope that United States will consider the proposals from a practical rather than a juridical standpoint.	981
May 7	*To the Danish Legation* Advice that United States has lodged a formal protest against the proposed modification of the Moroccan customs regime; résumé of developments leading to protest, and points upon which protest was based.	983
May 21 (1885)	*From the Ambassador in France* Deduction from conversation with member of Italian Embassy, that final acceptance by Italy of the proposed reforms in Morocco seems to depend on how Italian trade will be affected by the quotas and other factors.	986

MOROCCO

OBJECTION OF THE UNITED STATES TO PROPOSED MODIFICATION OF THE CUSTOMS REGIME IN THE FRENCH ZONE OF MOROCCO—Continued

Date and number	Subject	Page
1935 May 23 (473)	*From the Chargé in Belgium* Belief of Foreign Office official that such strong opposition has developed on various sides to the French proposals that France may allow the matter to rest for some time to come.	987
June 13 (1504)	*From the Ambassador in the United Kingdom* Foreign Office concern over apparent abandonment by France of economic reform plan in Morocco, and inquiry as to whether United States objected to the plan purely on principle or for other reasons.	988
June 21 (1964)	*From the Ambassador in France* Recommendation, upon Department's inquiry, that a formal reply to Foreign Office note of May 6 be withheld in view of developing opposition in Morocco against the economic project, and pending action by the powers signatory to the Act of Algeciras.	989
July 8 (2000)	*From the Ambassador in France* Expression of disappointment by the British Commercial Counselor that United States opposed economic reforms in Morocco, and desire that the U. S. adopt a more liberal viewpoint toward the project.	989
July 12 (898)	*To the Ambassador in the United Kingdom* Instructions for reply to British inquiry concerning basis for U. S. objection to Moroccan economic reforms, emphasizing provisions of Act of Algeciras that "economic liberty without any inequality" should be maintained in Morocco.	991
July 17 (599)	*From the Ambassador in France (tel.)* Note from the Foreign Ministry, dated July 15, referring to its note of May 6 and inquiring if United States is now disposed to accept the reform plan in principle. Suggestion that reply express willingness to consider an alternative proposal.	992
July 20 (290)	*To the Ambassador in France (tel.)* Instructions to inform Foreign Minister that United States has not changed its opinion regarding the plan, but is willing to consider any alternative which may be in keeping with full commercial equality in Morocco.	992
Aug. 7	*From the Chargé in the United Kingdom* British fear that France might challenge the older British and Spanish treaties (1856 and 1861) in order to increase Morocco's customs revenue.	993
Sept. 18	*From the British Embassy* *Aide-mémoire* stressing ruinous effect of Japanese competition on British cotton exports to Morocco, and outlining the advantages of a quota system in Morocco.	994
Oct. 11	*To the British Embassy* Advice that United States is undertaking a study of the problems discussed in British *aide-mémoire*, and hopes that the major questions of principle and policy may be determined soon. (Footnote: Information of U. S. reply, April 27, 1936, to British *aide-mémoire*.)	997

MOROCCO

NEGOTIATIONS CONCERNING CLAIMS AND PROPOSED RECOGNITION BY THE UNITED STATES OF THE SPANISH ZONE IN MOROCCO

Date and number	Subject	Page
1934		
Dec. 29 (16)	*To the Diplomatic Agent and Consul General at Tangier (tel.)* Instructions to proceed to Madrid to participate in discussions between the U. S. Ambassador and the Spanish Foreign Office concerning settlement of American claims in exchange for recognition of the Spanish Protectorate.	998
1935		
Jan. 8 (4)	*From the Ambassador in Spain (tel.)* Information that conferences for recognition of Spanish Morocco are about to begin, and that Foreign Office will enter into examination of 1928 claims.	999
Jan. 10 (638)	*From the Ambassador in Spain* Discussion with Foreign Office official, who said that the Spanish Government was reluctant to discuss the settlement of claims without also settling the question of the abolition of capitulations; U. S. position of maintaining treaty rights until possible revision by common accord.	999
Jan. 14 (6)	*From the Ambassador in Spain (tel.)* Possibility of compromise agreement based on a five-point formula suggested by Blake; request for instructions.	1001
Jan. 16 (4)	*To the Ambassador in Spain (tel.)* Assumption that formula takes care of special taxes on imported goods; desire that it be clearly understood that question of surrender of capitulations will not enter into present discussion.	1002
Jan. 17 (8)	*From the Ambassador in Spain (tel.)* Request for authorization to promise to discuss, after settlement of claims and recognition, any question raised by Spanish Government.	1003
Jan. 19 (5)	*To the Ambassador in Spain (tel.)* Reluctance to attach any reservations to the agreement concerning recognition and settlement of claims.	1003
Jan. 19 (1)	*To the Diplomatic Agent and Consul General at Tangier (tel.)* Comments on the five-point formula for a compromise agreement with Spain, and request for certain clarifications.	1004
Jan. 21 (27)	*From the Chargé in the United Kingdom (tel.)* Foreign Office information that trade negotiations now being conducted in Madrid have no connection with question of relinquishment of British extraterritorial rights in the Spanish Zone of Morocco.	1005
Jan. 23 (1)	*From the Diplomatic Agent and Consul General at Tangier (tel.)* Clarification of certain points in the five-point formula, as requested by Department.	1005
Jan. 29 (7)	*To the Ambassador in Spain (tel.)* Message to be transmitted to Blake, giving instructions relative to the five-point formula.	1007
Feb. 6 (1019)	*From the Diplomatic Agent and Consul General at Tangier (tel.)* Reasons for desirability of early recognition of Spanish Zone, and analysis of five-point formula; emphasis on the importance of U. S. retention of capitulatory rights in Morocco.	1008

MOROCCO

NEGOTIATIONS CONCERNING CLAIMS AND PROPOSED RECOGNITION BY THE UNITED STATES OF THE SPANISH ZONE IN MOROCCO—Continued

Date and number	Subject	Page
1935		
Feb. 21 (15)	*To the Ambassador in Spain (tel.)* Instructions to sound out Spanish regarding their willingness to reach agreement for settlement of the claims matter along lines of points 1, 2, and 3 of formula.	1012
Feb. 25 (15)	*From the Ambassador in Spain (tel.)* Information that claims matter had been referred to the High Commissioner at Tetuan and that delay was due to his indifference to U. S. recognition unless question of capitulations was included in agreement.	1013
Mar. 1 (3)	*To the Diplomatic Agent and Consul General at Tangier (tel.)* Appreciation for analysis of the five-point formula and clarification of certain points; further comments on formula and U. S. position regarding claims settlement.	1013
Mar. 6 (96)	*From the Chargé in the United Kingdom (tel.)* Receipt by Foreign Office of Spanish formal request that Great Britain relinquish its extraterritorial rights in Spanish Zone of Morocco; British unwillingness to give up those rights, and suggestion for possible concerted action.	1014
Mar. 8 (48)	*To the Chargé in the United Kingdom (tel.)* Instructions to advise Foreign Office that present U. S. negotiations with Spain are limited to settlement of claims in exchange for formal recognition of Spanish Zone, and that United States has no present intention of giving up extraterritorial privileges.	1014
Mar. 12 (1275)	*From the Chargé in the United Kingdom* Foreign Office inquiry as to when the Spanish first indicated a desire to inject question of extraterritorial rights into present negotiations.	1015
Mar. 27 (772)	*To the Ambassador in the United Kingdom* Advice that Spain first brought up extraterritorial rights early in January. Instructions to reiterate to Foreign Office that United States has no present intention of considering surrender of extraterritorial rights.	1016
July 24 (48)	*To the Ambassador in Spain (tel.)* Instructions to ascertain from Spanish Government when a decision can be expected in the matter of claims and recognition.	1016
July 27 (51)	*From the Ambassador in Spain (tel.)* Information that unsatisfactory reply has been received from Spanish High Commissioner, and that Foreign Office has placed matter before the Prime Minister.	1017
Oct. 2 (908)	*From the Ambassador in Spain* Report on efforts to obtain Foreign Office action toward conclusion of negotiations based on the five-point formula.	1017
Nov. 2 (939)	*From the Ambassador in Spain* Information of an urgent request by the Foreign Ministry to the Presidency of the Council of Ministers for an immediate decision.	1017

MOROCCO

REPRESENTATIONS BY THE UNITED STATES AGAINST DISCRIMINATORY PASSPORT REGULATIONS IN THE SPANISH ZONE OF MOROCCO

Date and number	Subject	Page
1934		
Dec. 6 (174)	*To the Ambassador in Spain* Instructions to protest discrimination against American citizens by requiring visas and photographs on entering the Spanish Zone of Morocco while nationals of other countries, notably British and French nationals, are not required to obtain visas.	1018
Dec. 18 (608)	*From the Ambassador in Spain* Account of conversation with Foreign Office official, and comment that his remarks seemed indicative of the general policy of Spain in Morocco and of its attitude toward the Act of Algeciras.	1020
1935		
Feb. 27 (675)	*From the Ambassador in Spain* Note from the Ministry of State (text printed) indicating willingness to abolish requirement of passport photographs.	1021
July 2 (805)	*From the Chargé in Spain* Transmittal of a Foreign Office note indicating abolition of the requirement of photographs.	1023
Aug. 23 (274)	*To the Ambassador in Spain* Instructions for further representations against the visa requirement, insisting that in principle the Spanish Government has no authority in law or treaty provision for such requirement. (Footnote: Ambassador's delivery of a note to the Foreign Office September 10.)	1023

TURKEY

ATTITUDE OF THE UNITED STATES TOWARD EFFORTS BY TURKEY TO SECURE REVISION OF THE REGIME OF THE STRAITS; CONSIDERATION OF POSSIBLE AGREEMENT WITH TURKEY REGARDING AMERICAN NAVIGATION RIGHTS

1935		
Apr. 17 (147)	*From the Consul at Geneva (tel.)* Turkish statement before the League Council indicating desire for modification of the Straits Convention; reservations expressed by representatives of Great Britain, Italy, and France; Soviet representative's declaration of support.	1026
Apr. 30 (631)	*From the Ambassador in Turkey* Foreign Minister's conversation with French Ambassador in order to win French support for revision of Straits Convention; opinion that Turkey will keep matter before Powers until proposals are accepted.	1027
May 18 (644)	*From the Ambassador in Turkey* Information that recently the Turkish Foreign Minister countered British opposition to rearmament of the Straits by saying that Turkey would willingly refrain from rearming the Straits if the British would sign a treaty to protect them.	1028

TURKEY

ATTITUDE OF THE UNITED STATES TOWARD EFFORTS BY TURKEY TO SECURE REVISION OF THE REGIME OF THE STRAITS; CONSIDERATION OF POSSIBLE AGREEMENT WITH TURKEY REGARDING AMERICAN NAVIGATION RIGHTS—Continued

Date and number	Subject	Page
1935		
May 29 (653)	*From the Ambassador in Turkey* Account of inspection journey to Izmir, during which the extent of military preparation along the Straits was noted; observations relative to Soviet support of Turkey's position.	1029
June 26 (688)	*From the Ambassador in Turkey* Résumé of conversation on various subjects with the Foreign Minister, who said that the Balkan Entente had promised their support of the Turkish position; Turkish willingness to negotiate a special treaty on U. S. transit rights through the Straits in exchange for assistance in protection.	1030
July 3 (695)	*From the Ambassador in Turkey* Analysis of the factors involved in the Turkish position on revision of the Straits Convention.	1034
Sept. 11 (219)	*To the Chargé in Turkey* Navy Department's opinion (text printed) that American freedom of navigation of the Straits can best be safeguarded by a separate formal agreement with Turkey.	1040
Nov. 1 (817)	*From the Ambassador in Turkey* Likelihood of Turkish favorable attitude toward a separate treaty with United States; suggestion that action be postponed until it becomes evident that Straits Convention will be modified.	1042

POLICY OF THE DEPARTMENT OF STATE TO ENCOURAGE MULTILATERAL TRADE RATHER THAN TO ATTEMPT TO OVERCOME UNFAVORABLE BALANCE OF TRADE WITH TURKEY

1935		
Mar. 4	*To the Ambassador in Turkey* Explanation, in reply to a letter from the Ambassador, of the disadvantage of trying to balance U. S. trade with Turkey or any particular country; U. S. policy to further, rather than restrict, triangular or multilateral trade.	1043
Mar. 8	*From the Chief of the Division of Near Eastern Affairs to the Secretary of State* Letter from the Commercial Attaché in Turkey to the Ambassador in Turkey (excerpt printed), expressing opinion that the principle of bilateral trade balances is unsound and inequitable and should not be applied to trade relations between United States and Turkey.	1044

TURKEY

APPLICATION WITH RESPECT TO TURKEY OF POLICY OF THE UNITED STATES NOT TO ENCOURAGE AMERICAN FIRMS IN THE SALE OF ARMS AND MUNITIONS OF WAR

Date and number	Subject	Page
1935		
Jan. 9 (514)	*From the Ambassador in Turkey* Appreciation of the difficulty of determining the meaning of the phrase "arms and munitions" and indication of a tentative definition of the phrase.	1046
Jan. 11	*Memorandum by the Chief of the Division of Near Eastern Affairs* Discussion with the Vice President of the General Motors Export Company regarding the financing of the proposed purchase by the Turkish Government of 900 trucks for military purposes.	1048
Jan. 14 (1)	*From the Ambassador in Turkey (tel.)* Turkish Government's intention to purchase anti-aircraft searchlights to value of $700,000; inquiry as to whether nature of business will prevent Export-Import Bank from granting credit.	1049
Jan. 15 (4)	*To the Ambassador in Turkey (tel.)* Unfavorable view on assistance by any Government agency in the financing of the sale of arms and implements of war to any foreign government.	1049
Feb. 21 (5)	*From the Ambassador in Turkey (tel.)* Turkish Government's intention to buy 16 Martin bombers, and Prime Minister's inquiry as to U. S. Government's authorization for the manufacturer's early delivery.	1049
Feb. 23 (11)	*To the Ambassador in Turkey (tel.)* Statement that it is not the policy of the United States to encourage export trade in arms and munitions of war.	1050
Mar. 18 (169)	*To the Ambassador in Turkey* Opinion that, even when commodities purchased by a foreign government do not fall within any recognized definition of arms and munitions of war, the United States should avoid assisting the financing when there is danger that, in case of war, there could be criticism for assisting in military preparations.	1050
May 20	*Memorandum by Mr. Henry S. Villard of the Division of Near Eastern Affairs* Request by Turkish Embassy official for Department's good offices in persuading the War Department to authorize the early delivery of Martin bombers to Turkey; reply that the Department could not "intervene" with the War Department.	1051

TURKEY

REJECTION OF REQUEST OF THE TURKISH GOVERNMENT FOR ASSIGNMENT OF AN AMERICAN ARMY OFFICER AS INSTRUCTOR IN THE TURKISH AIR FORCES

Date and number	Subject	Page
1935 June 6	*From the Turkish Embassy* Turkish General Staff's desire to invite as instructor to the Army Air School an American General Staff officer, and request that Department contact the proper authorities.	1052
June 7	*Memorandum by the Chief of the Division of Near Eastern Affairs* Record of conversation with the Turkish Ambassador on June 6.	1052
June 24	*To the Turkish Ambassador* Advice from the Chief of Staff that there is no legal authority for compliance with the Turkish request.	1053

REPRESENTATIONS BY THE TURKISH EMBASSY AGAINST FILMING THE NOVEL, "THE FORTY DAYS OF MUSA DAGH"

1935 Sept. 5	*From the Turkish Ambassador* Request that the Department exert its influence to preclude filming of Franz Werfel's novel, *The Forty Days of Musa Dagh;* opinion that the film would not promote the existing friendly feelings between the peoples of Turkey and the United States.	1053
Sept. 7	*To the President of Motion Picture Producers and Distributors of America* Transmittal of copy of the Turkish Ambassador's note of September 5, and request for assistance in disposing of the question.	1054
Sept. 12	*To the Turkish Ambassador* Information from the President of Motion Picture Producers and Distributors of America indicating that "the script has not been finished and will not go into production without the approval of the Turkish Ambassador."	1055
Oct. 4	*From the Turkish Ambassador* Advice of conversation with a representative of Metro-Goldwyn-Mayer, who admitted that the filming of the novel would be harmful from every standpoint; appreciation of Department's support.	1055

GENERAL

THE CONFERENCE FOR THE REDUCTION AND LIMITATION OF ARMAMENTS, GENEVA: 1935 PHASE [1]

I. MEETING OF THE SPECIAL COMMITTEE FOR THE TRADE IN AND PRIVATE AND STATE MANUFACTURE OF ARMS AND IMPLEMENTS OF WAR, FEBRUARY 14–APRIL 13, 1935

500.A15A4/2622 : Telegram

The American Adviser (Mayer) to the Secretary of State

GENEVA, January 4, 1935—noon.
[Received January 4—6 : 53 a. m.]

960. Aghnides [2] states Henderson [3] approves committees meeting the first days of February. Aghnides also says there is a "gentleman's agreement" among chairmen of the three committees [4] that there will be no meeting until that time.

Formal convocation of committees by respective chairmen can scarcely be anticipated until during or after Saar Council.[5] However, in line with above information, it seems safe for Wilson [6] to arrive here by February 1st.

MAYER

[1] For previous correspondence, see *Foreign Relations*, 1931, vol. I, pp. 471 ff.; *ibid.*, 1932, vol. I, pp. 1 ff.; *ibid.*, 1933, vol. I, pp. 1 ff.; *ibid.*, 1934, vol. I, pp. 1 ff.
See also League of Nations, Conference for the Reduction and Limitation of Armaments, Geneva: *Conference Documents; Preliminary Report on the Work of the Conference*, prepared by the President, Mr. Arthur Henderson (Conf. D. 171 (1), Geneva, July 1936).

[2] Thanassis Aghnides, Director of the Disarmament Section of the League of Nations.

[3] Arthur Henderson, President of the Disarmament Conference.

[4] Special Committee for the Regulation of Trade in and the Private and State Manufacture of Arms; Technical Committee Dealing With the National Defense Expenditure Commission; Committee on Miscellaneous Provisions.

[5] The eighty-fourth session of the Council of the League of Nations was held January 11–21, the Saar plebiscite taking place on January 13.

[6] Hugh R. Wilson, American Minister in Switzerland and head of the United States delegation to the Disarmament Conference.

500.A15A4 General Committee/1031 : Telegram

The American Adviser (Mayer) to the Secretary of State

GENEVA, January 15, 1935—1 p. m.
[Received January 15—10:45 a. m.]

962. Department's telegram 460, December 17, 5 p. m.,[7] and my letter to Moffat No. 63, December 19, 1934.[8]

Aghnides tells me that in a conversation on Saturday Simon[9] brought up the matter of the resumption of committee work questioning the desirability of settling now on a definite date since Flandin[10] and Laval[11] might well be in London at that very time discussing general European questions with especial reference to disarmament; that it might not be advisable in these circumstances to have the committees meeting simultaneously in Geneva. Sir John therefore suggested that Aghnides should consult with other delegations and think over the matter before determining on a definite date.

Aghnides said that he finds the French agreeable to meetings on the 4th or 5th February without showing any particular enthusiasm but that the Italians feel some postponement is preferable. He asked our point of view. I told him that I should prefer to consult with Department before replying but that in my opinion we want to see the work definitely resumed at an early date.

The main argument for deferring the settling of the date for resumption of committee work appears the same as that advanced in the past, namely, that simultaneous work here at Geneva might interfere with negotiations outside on general political agreement. It is difficult for us to see how technical work on a limited convention, work which can be kept strictly within these limits and which will require considerable time, could constitute an obstacle to general political discussions elsewhere. Furthermore we consider that there is much technical work to be done in committee here on an agreement on manufacture of and trade in arms which must be done in any event. This work while devoted at present to a treaty of limited objectives such as we have proposed could be adapted later if necessary to the require ments of a general disarmament convention.

Frankly, we are inclined to believe that an effort to postpone a resumption of the committee work here is a red herring across the trail. In all the circumstances we believe that we should adopt an unequivocal attitude and press for the prompt resumption of com-

[7] *Foreign Relations*, 1934, vol. I, p. 206.
[8] Letter to J. Pierrepont Moffat, Chief of the Division of Western European Affairs; not found in Department files.
[9] Sir John Simon, British Secretary of State for Foreign Affairs.
[10] Pierre Etienne Flandin, Premier of France.
[11] Pierre Laval, French Minister for Foreign Affairs.

mittee work early in February and that I should be authorized so to tell Aghnides. At the same time I might say to Aghnides that we are of course most interested in the success of any negotiations on the more comprehensive plan and while desiring to go ahead with the practical work decided on November 20th we hoped that the Conference would soon be able to consider again the fundamentals of disarmament.

If, after taking this position, the British or others can show us any special circumstances against going forward at this time with the work decided upon by the Bureau on November 20th we might consider the matter again. Meanwhile we feel that we should take a strong line as indicated above.

MAYER

500 A15A4 General Committee (Arms)/81 : Telegram

The Secretary of State to the American Adviser (Mayer)

WASHINGTON, January 15, 1935—8 p. m.

466. Your 962, January 15, 1 p. m. We approve, in general, the views and the procedure outlined in the penultimate paragraph, but do not want to assume the position of forcing the hands of Great Britain and France. Your best approach would seem to be to state that while we wish in no manner to interfere with or hamper any major political negotiations, we do not quite understand why simultaneous work of a purely technical nature at Geneva should have this effect, and that we would view with great regret any undue delay in the resumption of the technical work of the Committees.

Your 963, January 15, 4 p. m.[12] Approved.

HULL

500.A15A4 General Committee (Arms)/81 : Telegram

The Secretary of State to the American Adviser (Mayer)

WASHINGTON, January 16, 1935—2 p. m.

467. My 466, January 15, 8 p. m. On further consideration, we think it advisable for you to seek a clarification of the situation through a frank talk with Eden.[13] After speaking to him along the lines authorized in our 466, you might add a reference to the unfortunate repercussions in the United States of any delay in dealing with a

[12] Not printed.

[13] Anthony Eden, Lord Privy Seal and British representative on the Council of the League of Nations.

problem in which the American public and the American Congress are particularly interested at this time.

HULL

500.A15A4 General Committee (Arms)/82 : Telegram

The American Adviser (Mayer) to the Secretary of State

GENEVA, January 17, 1935—6 p. m.
[Received January 17—3 : 15 p. m.]

964. Department's 467, January 16, 2 p. m. I saw Eden and spoke to him along the lines you authorized. He readily agreed saying that this was also his view.

Regarding the date itself Eden said that he wanted to be present the opening sessions of the Manufacture of and Trade in Arms Committee; that the first few days of February would be occupied with the Flandin–Laval conversations at London [14] when among other things they were going to talk supervision with the French; that the British would need a few days thereafter for discussion among themselves. Eden added that he would like to speak to the French before a time was set and asked if it would be satisfactory to us for him to say now that so far as the British were concerned this date would be by the middle of February mentioning the 12th as possibly best from his point of view. I replied affirmatively expressing the hope that the date could be announced in the next few days.

I inquired whether Eden could tell me anything with regard to the larger negotiations concerning disarmament. He indicated that the British had not come to any definite opinion on this matter; that the multiplicity of other questions before the Council at the present time and their difficulty were absorbing attention. He added, however, confidentially that it was somewhat of a question in his mind whether the present was the psychological moment to begin negotiations with the Germans, that in view of the overwhelming victory in the Saar they might be less amenable now than later. Several of his "neutral" colleagues on the Council felt the same way and undoubtedly the French held this view. On the other hand he realized that from the British point of view, taking into consideration the feeling in his country, it was an excellent time to get things going. I have the impression that Eden thought that his Government took too optimistic a view of the situation and its immediate prospects.

[14] See British Cmd. 4798, Miscellaneous No. 1 (1935) : *Joint Communiqué . . . Conversations between the French and British Ministers in London, February 1st to 3rd, 1935.*

Parenthetically I learned from Marriner,[15] in a telephone conversation this morning, that the French wish to discuss manufacture of and trade in arms questions with Wilson on his way through Paris as the general staff and others concerned there have been recently considering these matters very carefully.

MAYER

500.A15A4/2628 : Telegram

The American Adviser (Mayer) to the Secretary of State

GENEVA, January 22, 1935—7 p. m.
[Received 9 : 20 p. m.]

966. Following is brief résumé of situation resulting from recent Council meeting as we see it here with special reference to background for disarmament activity.

The outstanding feature of this meeting of the Council is the changes in atmosphere resulting from the overwhelming vote for Germany in the Saar. The optimism engendered by the reaction from the Council meeting in December has been rather in part dissipated.

The chief complaint of this quick change from optimism to uncertainty if not indeed because of the pessimism of some weeks ago results from the feeling which I found practically unanimous that Germany intends to exploit the vote in the Saar for the benefit of her anti-Versailles treaty policy. This would include not only specific treaty provisions such as armaments but the European structure created by the treaty directly or indirectly.

A foreign journalist well acquainted with Germany epitomized the situation by saying that Germany was now passing from the inferiority complex of the years just succeeding the peace to the superiority complex of 1914.

One of the most important if not indeed critical aspects of the change of sentiment discussed above is the position in which it places Laval at home. He is walking a mean political tightrope. If the Germans continue in their present attitude it may well mean Laval's downfall since he has been basing his policy of *rapprochement* with Germany largely on the recent optimistic feeling that she would be more reasonable after the Saar election.

In direct relation to Laval's position and of perhaps even greater general interest is the question of Russia's position and the activity of her adherents in France, Herriot,[16] et cetera, et cetera, and the general

[15] Theodore Marriner, Counselor of Embassy in France.
[16] Edouard Herriot, French Minister of State without Portfolio.

staff who are quite evidently taking every opportunity to undermine Laval as well as to promote a Franco-Russian entente. The Soviets, the Little Entente and the Balkan Entente have put a pistol at Laval's head. Either France must go forward unequivocally with Russia, et cetera, to force Germany into an Eastern pact or to encircle her if she refuses or in the alternative Russia will become the "protector" of the Little and Balkan Ententes in the place of France. This group is working hard to prevent the Flandin–Laval visit before definite commitments are taken by France in the above regard.

Whether the British will press for immediate discussion of disarmament with Germany despite the present atmosphere is a question. It will doubtless depend upon the Flandin–Laval conversations in London if and when they take place. There are reliable indications that the British are developing a policy of a "concert of Europe" in a reformed regionalized league, namely, the Four Power Pact[17] idea rather than of a "balance of power". While the British realize the danger of leaving Russia out they fear more her presence with France in a central and eastern European group for the encirclement of Germany.

I gather clearly that the optimism of several weeks ago respecting disarmament negotiations with Germany has now changed to a feeling of considerable uncertainty as to the possibility of success in this regard in the near future.

Cipher mailed Paris, Rome, Berlin, London.

MAYER

500.A15A4 General Committee (Arms)/85 : Telegram

The Ambassador in France (Straus) to the Secretary of State

PARIS, January 25, 1935—10 a. m.
[Received January 25—10 a. m.]

65. From Wilson. Interview today with Massigli[18] and Aubert.[19] I stated that I had been uneasy in America on receipt of telegrams from Geneva to the effect that there was indifference as to a treaty on manufacture and traffic, and added that beyond our real interest in the question one of the reasons which persuaded us to take the initiative was that we were convinced that France was with us. I wanted to know whether we could count on their cooperation.

Massigli replied that much of the discussion in the press regarding the disarmament situation has been fanciful. French information from Germany is to the effect that Germany will have 1,000 quasi-

[17] Between the United Kingdom, France, Italy, and Germany.
[18] René Massigli, French Assistant Director of Political and Commercial Affairs.
[19] Louis François Aubert, French representative on the Special Committee.

military planes by July, that they already have nearer 400,000 than 300,000 men in the Reichswehr. He added in the strictest confidence that a message had just been received from François Poncet[20] in which the latter reports a conversation with Hitler. Poncet asked Hitler whether in the renewed armament discussions they could count on Germany's being contented with the requirements set forth by that country to Eden and Poncet in January last year. Hitler, according to Poncet, replied in the negative, pointing out that since that time other nations had made further armament and especially Russia.

Massigli continued by stating that this made it apparent that armament discussions to be taken up again at the end of next week in London at the time of the visit of Flandin and Laval would have to be confined to the maintenance of the *status quo* of armaments, in other words, the Italian thesis during the past 2 years.

From the foregoing argument Massigli was persuaded that any arrangement regarding armament would take months of negotiation and that, therefore, it was highly advisable to formulate immediately a treaty such as we had in mind. The realization of such a treaty would give practical proof of the value of control and contribute to the realization of the larger question. Massigli could not pledge future French Governments to push for this end but stated that he and Aubert were convinced that every effort would be made to reach such a treaty.

We then discussed certain technical matters which will be analyzed and reported to you. In general I may say that the criticism of the French of our project is not of a nature to present insurmountable difficulties and except for the insistence which we expected for a wider application of control than is agreeable to us, I think our views can be readily harmonized. [Wilson.]

STRAUS

500.A15A4 General Committee (Arms)/88 : Telegram

The American Delegate (Wilson) to the Secretary of State

GENEVA, January 29, 1935—5 p. m.
[Received January 29—4 : 50 p. m.]

969. 1. Reference my telegram January 24th [*25th*] from Paris, the following is a statement of the technical matters considered at the Conference and the tentative solutions thereon.

2. Explosives. The French reiterated their former position that all explosives should be included in category I. We suggested a com-

[20] French Ambassador to Germany.

promise by which strictly military explosives could be included by adding a subhead to category I covering "propellants and fillers" as directed in Department's instruction December 24th.[23] This was tentatively accepted by the French subject to approval of their military authorities.

3. Civil aviation. The French stressed the necessity for absolute control of civil aviation at all times. We offered a compromise by including civil aviation and aeronautical engines in a new heading in category V in accordance with Department's instruction December 24th. This was accepted by the French provided they could be given the right to inspect the production of civil aviation factories with the understanding that the details should be worked out between Strong [24] and General Mouchard who is the principal adviser of General Denain, the Air Minister.

4. Stockages. The French were insistent that some steps be taken to prohibit the production and stockage of material of all categories in the hands of manufacturers without bona fide orders. They contended that this step was necessary to prevent the creation of a large concealed reserve of material which might be used in the event of a sudden aggression. We stated that such a provision could not be accepted in regard to categories IV and V but that it appeared reasonable for items appearing in categories I, II, and III and to that end we would consider favorably the amendment of article 5 along the lines indicated in Department's instruction December 24. This was acceptable to the French.

5. Article 30. The French pointed out the shortcomings of article 30 in regard to inspection on the spot. I stated that we contemplate amendment to this article.

6. Declaration of intention. The French again raised the question referred to under heading 8, page 9 of my despatch No. 107, November 26th.[25] I asked that we be furnished a text as soon as practicable in order that we might make a detailed study of it. The French agreed to furnish such a text at an early date.

7. From the foregoing it will be noted that the points raised by the French have, with the exception of declaration of intention and with the exception of the application of the doctrine of inspection on the spot for production of civil aviation material, been covered by existing instructions. The declaration of intention proposal need be given no study until the submission of the French text. In regard to inspection on the spot for production of civil aviation material it ap-

[23] *Foreign Relations*, 1934, vol. I, p. 211.

[24] Gen. George V. Strong, military adviser to the American delegation to the General Disarmament Conference at Geneva.

[25] *Foreign Relations*, 1934, vol. I, p. 193.

pears to me that in view of the set-up of our aviation factories where both civil and military planes are to a large extent produced in the same plants, where reports of production are already provided for, where inspection on the spot for military material is contemplated, it might appear a reasonable price to pay for getting a workable and comprehensive convention to defer to the French on this point.

8. We would greatly appreciate your ideas on the subject in order that the necessary steps may be taken to prepare the required amendments to the draft text prior to February 14th.

WILSON

500.A15A4 General Committee (Arms)/88 : Telegram

The Secretary of State to the American Delegate (Wilson)

WASHINGTON, January 31, 1935—noon.

468. Your No. 969, January 29, 5 p. m. It was our understanding that the amendment of Category V, as suggested in the instruction of December 24,[26] taken in conjunction with the amended text of Article 30 (*e*) authorized in that instruction provided for the inspection on the spot for production of civil aviation material for which the French contend. Do the French desire something more than this? If so, please submit by telegram, for my consideration, such modifications of the present text of the Draft Articles as would be necessary to carry out their ideas.

HULL

500 A15A4 General Committee (Arms)/89 : Telegram

The American Delegate (Wilson) to the Secretary of State

GENEVA, February 1, 1935—1 p. m.
[Received February 1—8 : 01 a. m.]

970. Your 468, January 31, noon. We are in accord with your understanding expressed in the first sentence. The French, however, are not yet aware of the details of the amendment of article 30 covered by your instruction of December 24.

In the Paris meeting the civilian French officials appeared satisfied with our suggestion to place civil aviation and all aeronautical engines in category V. Since then we have learned that the French air officials desire inclusion of aeronautical engines in category III a step which we cannot accept.

[26] *Foreign Relations*, 1934, vol. I, p. 211.

As soon as can learn the definite attitude of the French Government in the matter we will inform you.

WILSON

500.A15A4 Permanent Disarmament Commission/89: Telegram

The American Delegate (Wilson) to the Secretary of State

GENEVA, February 2, 1935—11 a. m.
[Received February 2—8:22 a. m.]

971. Convocations have been issued for a meeting of the Committee on Miscellaneous Provisions (Bourquin [29] Committee) to be held on February 18th. The agenda consists of the examination of the questions referred to this Committee by the Chinese Minister [*Conference Bureau?*] on November 20th [30] which include the draft articles submitted by the American Delegation and the Soviet proposal for a permanent peace conference.

WILSON

500.A15A4 General Committee (Arms)/105

The American Delegate (Wilson) to the Secretary of State

No. 109 GENEVA, February 12, 1935.
[Received February 25.]

SIR: I have the honor to refer to my despatch No. 107 of November 26, 1934,[31] Section VIII, and to recall that when in Washington last December I discussed this matter with Mr. Moffat and Mr. Green of the Western European Section and we came to the conclusion that before reaching a decision it was better to wait and see how the French contemplate embodying such a theory in practice.

Since my return I have had several conversations with Massigli, Aubert and Jean Paul-Boncour [32] on this subject and can further explain what appears to be in their minds.

They point out that the publicity on budget estimates for national defense expenditure will presumably be broken down from global sums for military, naval and air expenditures into sums which cover at least the broad divisions of such expenditure. What they desire is that in addition to this publicity of budget estimates for national defense expenditure, there should also be an advance statement of contemplated procurement of essential items of armament by numbers.

[29] Maurice Bourquin, Belgian delegate to the General Disarmament Conference.
[30] *Preliminary Report on the Work of the Conference* (Conf. D. 171 (1)), p. 137.
[31] *Foreign Relations*, 1934, vol. I, p. 193.
[32] Permanent delegate of France to the League of Nations.

Such a declaration would be a mere declaration of intention and involve no legal obligation to carry out such expressed intention. It would merely be an indication by a State so that the neighbors would have some degree of advance notice of the trend of contemplated procurement of important military and naval matériel.

I have taken the position with the French that my Government could not make up its mind on this subject until it received more accurate specifications of the thought that was contemplated. I also said that it was my own opinion that the greater the detail demanded the more would be the difficulty and that I would not even submit the matter to my Government if it was the purpose of the French to demand excessive detail in the declaration of intention.

The French delegates assure me that they do not contemplate asking for detail and there was worked out in a discussion this morning, purely for purposes of example, a certain breakdown of armaments into classes or divisions which the French say would be satisfactory to them. Such a division might be approximately as follows:

Land:	*Sea:*	*Air:*
Artillery	Battleships	Airplanes:
Tanks	Cruisers	bombers,
Armored cars	Destroyers	observation,
Ammunition for artillery	Submarines	pursuit
	Aircraft-carriers	

It would seem a useless complication to state the amounts and calibres of ammunition. Declaration of intention in regard to ammunition should be covered by a global sum embracing all classes.

If the sole object of the French proposal is to obtain advance information on contemplated procurement of the arms and armament mentioned above, we feel, though it has not been suggested to them, that their contention concerning these particular items might be met by inserting an additional requirement in an appropriate place in the present draft, which would provide that the H. C. P.'s,[33] in view of the importance of the articles enumerated, would undertake to declare, at a moment to be determined, their contemplated procurement of those articles during such fiscal year; such declaration of intention not to be binding as to the distribution of funds to be appropriated and to entail no legal obligation as to their disposition.

If the information is confined to the foregoing broad divisions, as the French seem to desire, the matter would appear to us here in a different and less objectionable light than otherwise might be the case. It is my impression that in the submission by the War and Navy Departments to Congress of their budget estimates, all of the information the French desire is regularly contained therein and available to the public. Indeed, it would appear that anyone who

[33] High Contracting Parties.

attended the meetings of the committees of Congress or purchased the reports of those meetings would have available more detailed information than would be contemplated in the list given above. Thus the obligation to furnish this declaration of intention, generally as set forth above, would not bind us to reveal anything which is not already available to the public.

The French urge that the declaration of intention by the various governments will inevitably give rise to regional understandings as to procurement and maintenance of armaments which will in themselves tend to produce a limitation thereof.

This bargaining aspect is one which should have a strong Continental appeal. Moreover, the French are particularly anxious to include provisions of this sort and have sent a member of their delegation to Geneva several days in advance of the committee meeting to explain their ideas and to urge once more upon us the importance of this advance publicity. With this in mind and since it may not appear objectionable from the American point of view, you may consider it desirable to give this satisfaction to the French, who appear increasingly anxious to work out with us an acceptable formula for the convention of limited objectives.

On the other hand, it is not impossible that the French may consider that such a step may furnish a basis for subsequent propositions for budgetary limitation in future conventions. In my opinion, however, there is no necessity for contemplating the crossing of that bridge until we come to it.

I am submitting this matter to you in writing rather than by telegraph in order to present it in some detail. I should be happy, however, if you would be good enough to cable me your general views as the matter should be an active one within two weeks' time.

Respectfully yours, HUGH R. WILSON

500.A15A4 General Committee/1032 : Telegram

The American Delegate (Wilson) to the Secretary of State

GENEVA, February 14, 1935—7 p.m.
[Received 7 : 10 p. m.]

975. At the request of the Chairman I opened the Committee meeting [34] this afternoon with a brief explanation and restatement of the American draft, moving its adoption as a basis for discussion. This suggestion was accepted unanimously by the Committee which proceeded to a general discussion in which representatives of France, Great Britain, and Italy took part.

[34] Special Committee for the Regulation of the Trade in and the Private and State Manufacture of Arms and Implements of War.

Aubert warmly supported our proposal and gave assurances that any amendments which the French might later suggest would be solely for the purpose of giving effect to the essential principles of our proposal. He further stressed the importance of budgetary publicity as providing a most effective system of advance publicity for arms production and emphasized the necessity of coordinating the three aspects of the treaty of limited objectives, which form an inseparable whole.

Stanhope,[35] while agreeing to accept the proposal as a basis for discussion, reviewed the necessity of confining the task to the limited objectives of the Bureau's mandate. Since the proposed convention was not a proposal for limitation of arms nor its enforcement but merely to insure regulation of arms manufacture and trade, to give information with regard to increases in armaments and to provide the machinery for making embargoes effective, the functions of the Permanent Disarmament Commission should be established in a separate protocol. The basic thesis of the British intervention turned upon the necessity of simplifying the proposals to the utmost. For this purpose and to insure prompt and universal acceptance the British delegation, while prepared to accept an elaborate system of automatic and permanent supervision as part of a convention for the reduction and limitation of arms, felt that the only supervision required in a limited treaty was an examination of national returns in Geneva. An elaborate system of supervision which included investigation on the spot was not suitable in this connection. Insofar as publicity was concerned Stanhope explained that less detailed publicity than was required by the American draft would suffice. He suggested in addition to these changes in the American draft that provision be made to prohibit government credits for financing export shipment of arms. Insofar as aviation was concerned he felt that all aircraft, both civil and military, should be subjected to a similar regime of licensing and publicity for the manufacture and trade since it is impossible to differentiate between the two types of aircraft.

Ruspoli [36] supported the British advocacy of simplification but questioned in fact the necessity or advisability of doing anything more at the present time than amending the 1925 convention [37] so as to give it immediate effect.

In conclusion Komarnicki [38] (*rapporteur*) pointed out that the Committee had unanimously adopted the American draft as a basis for discussion. General discussion proceeds tomorrow.

WILSON

[35] James Richard Stanhope, British Under Secretary of State for Foreign Affairs, and representative on the Committee.
[36] Fabrizio Ruspoli, naval representative of the Italian delegation.
[37] *Foreign Relations*, 1925, vol. I, p. 61.
[38] Head of the Polish delegation to the General Disarmament Conference.

500.A15A4 General Committee/1034 : Telegram

The American Delegate (Wilson) to the Secretary of State

GENEVA, February 14, 1935—9 p. m.
[Received February 14—8 : 50 p. m.]

976. The facts of today's meeting I have reported in my 975. The attitude of the Italian delegate had of course been discounted, but Stanhope's declaration as to British policy came as a severe shock to the meeting. The British refusal to accept investigation on the spot is a direct blow at the French and Continental conception of any convention. The declaration that they preferred separate conventions dealing with the establishment of a permanent disarmament commission and traffic in and manufacture of arms was stated in spite of their definite knowledge of our objections to this procedure. The suggestion that government credits for the export of arms should be abolished is interpreted at least by the press as being directly aimed at French subsidies to the Little Entente.

Lord Stanhope, British delegate, asked me to see him this morning and explained to me what the British attitude would be. An additional amendment which he mentioned to me but which he did not bring out in his speech was to the effect that they desired frequent statements as to global value of shipments within categories rather than reports on orders received. When Stanhope mentioned their preference for separate instruments I emphasized our very real desire for a single treaty and I outlined at some length our reasons therefor. I had the impression at the time that as a result of this conversation he would refrain for the moment from making public his preference.

Strang[39] tells me that the Cabinet only recently reached these decisions and that for this reason they had been unable to discuss the matter with us before; that he and Eden had urged the importance of inspection on the spot but that the Cabinet had nevertheless decided the contrary.

Aubert called after the meeting in considerable discouragement stating that he had endeavored to persuade his press "not to start on the warpath". He has arranged to see Stanhope before the meeting tomorrow morning and will endeavor to get further precision as to their attitude. He is particularly concerned because, as he explained, this negotiation is not an isolated event but will have serious influence on the broader negotiations. As Aubert put it, the British are asking France for a blank check in regard to German rearmament but at the same time are unwilling to participate in the experiment of seeing whether control can be efficiently administered. Aubert said

[39] William Strang, Counselor in the British Foreign Office.

he could not understand the situation, that Laval had told Simon at London that an indispensable part of the "general settlement" was that work should continue at Geneva to work out an efficient control which could be put into effect immediately in a limited convention and could serve as a test period. He said that Simon had agreed and that now Stanhope repudiated inspection without a word of warning to him.

WILSON

500.A15A4 General Committee/1035 : Telegram

The American Delegate (Wilson) to the Secretary of State

GENEVA, February 15, 1935—1 p. m.
[Received February 15—10:05 a. m.]

978. The general discussion of the American draft was concluded at this morning's committee session and received general support of the speakers this morning.

The Soviet representative, however, felt that any convention controlling the manufacture and trade of arms had little value except as part of a general disarmament convention. Specifically, referring to the American draft he proposed to offer amendments which would equalize the control of private and state manufacture which in his opinion was less effective as regards private manufacture in the present draft.

The Czechoslovak, Swedish, and Spanish representatives welcomed the initiative taken by the Americans and accepted the draft as a positive contribution with which they were ready to collaborate fully. While the Swiss delegate felt that the American proposals marked an important contribution and that there were only a few amendments to be wrought in it, he was in agreement with Stanhope in that he thought that the establishment of the permanent disarmament commission should be brought about in a separate protocol. Bourquin in supporting the American proposals recalled the mandate fixed by the Bureau, namely, the preparation of the limited convention which must fulfill the threefold objective. He thought it was important that the committee should keep this in mind as the directive for its work. The Canadian representative supported the American proposal including an adequate system of international control.

At the end of the debate I stated that we were grateful for the interests manifested by the speakers and that our proposal had been prepared with a view to obtaining the widest measure of accord and I hoped that the draft would serve this purpose. I stated that in the interest of orderly debate it was better to discuss the suggestions which

had been made at the time when the discussion turned on the appropriate articles.

Discussions have been adjourned until Tuesday to permit the *rapporteur* opportunity to consult the different delegations with regard to procedure to be followed.

WILSON

741.51/107 : Telegram

The American Delegate (Wilson) to the Secretary of State

GENEVA, February 17, 1935—2 p. m.
[Received February 17—10:30 a. m.]

979. Repeated conversations with the British and French leave me with the following impressions: The British Cabinet taking its decision on Monday the 11th on our draft did so in full knowledge of all the factors involved and realizing to the full the inevitable effect on French opinion. Both Stanhope and Strang assure me that there is little chance at least for the present that any new factors will cause them materially to change their position.

On the other hand Aubert has gone to Paris over the week end to consult his Government in the hope that during the course of the Franco-British conversations respecting a reply to the German note [40] Laval will insist upon putting this convention into effect with full inspection in order to test the efficacy of control and that he will emphasize this as an indispensable part of the "general settlement".

Both Stanhope and Aubert have informed me separately that they urgently desire to avoid insofar as possible giving to the public the impression of a head-on collision between France and England and it is probable that the procedure in the negotiations will be influenced by this consideration.

The *New York Herald* Paris edition February 16th gives the impression that the result of the two meetings clearly showed the isolation of the United States as a result of resentment caused through the refusal of the Senate to ratify the World Court protocols.[41] I had a distinctly contrary impression, namely, that real interest and sympathy was expressed in our project on the part of all the delegates with the exception of England and Italy. I feel the more sure that my impression is accurate in that I had somewhat feared I would find evidence of resentment at our action but no such trace has yet been visible to me even in the many private conversations with other dele-

[40] German memorandum dated February 14, 1935, on the Anglo-French proposal of February 3 for a reciprocal regional agreement against unprovoked aerial aggression (the so-called "Western European Air Locarno"); English text printed in British Cmd. 5143, Misc. No. 3 (1936), p. 17.

[41] See pp. 383 ff.

gates. I have checked this with other newspaper men and find them of my opinion.

WILSON

500.A15A4 Permanent Disarmament Commission/92 : Telegram

The American Delegate (Wilson) to the Secretary of State

GENEVA, February 18, 1935—6 p. m.
[Received February 18—1 : 30 p. m.]

980. Bourquin Committee met this afternoon and postponed discussion of Soviet proposal for a permanent peace conference until the American draft (chapter 4) has been studied. Articles 17, 18, 19, 34, 35, 36, 37 have been selected for preliminary discussion while the others are reserved until further progress has been made in the other committees.

WILSON

500.A15A4 General Committee (Arms)/97 : Telegram

The American Delegate (Wilson) to the Secretary of State

GENEVA, February 20, 1935—5 p. m.
[Received February 20—1 : 05 p. m.]

983. 1. During the discussion of chapter 2 of our draft in the Manufactures Committee this morning the French in discussing article 7 raised for the first time in public the question of advance publicity and explained in detail France's conception of advance notices for the yearly estimates of manufacture both for expenditures and numbers (see my despatch 109, February 12).

2. Stanhope brought out the British proposal to limit publicity of global returns by categories (see my 976 [42]).

3. The Italian delegate reiterated the position which Italy has consistently taken in all discussions of the control of arms manufacturers and traffic, namely, that in the event of war states should be free to buy war material from nonbelligerents which freedom might be menaced if states assumed too great a national responsibility for the manufacture of and trade in arms in their territories as provided under article 2 of our draft. He felt that this provision might either give rise to breaches of neutrality if the producing states were assumed to have governmental responsibility for shipments of arms to the belligerents or would lead to creation of arms industries in the present nonproducing states so that their security might not be diminished by restriction

[42] February 14, 9 p. m., p. 14.

upon their freedom in time of war to import essential defense material. He added that Italy's attitude toward the draft would depend upon the answer to this question.

4. Unless you desire otherwise I shall only report by telegraph such discussions in the daily debate as are of special interest.

WILSON

500.A15A4 General Committee (Arms)/98: Telegram

The American Delegate (Wilson) to the Secretary of State

GENEVA, February 20, 1935—6 p. m.
[Received February 20—1:35 p. m.]

984. See my 983, February 20, 5 p. m.

1. Now that the French have raised their point publicly, as reported in paragraph 1 of above telegram, it would be timely to receive as soon as convenient your general observations on despatch No. 109, February 12th.

2. Reference paragraph 3 of above telegram Ruspoli informs me that he feels the case might be met by the insertion of a proviso repeating article 7 of the Hague Convention of 1907 [43] whereby the shipment of armaments to belligerents by manufacturers residing in neutral territories may not be considered an unneutral act and a further proviso that hence it is understood that the issue of a license for export by a government for such shipment should also not be considered an unneutral act.

We have not yet had opportunity for conversation on this subject with other delegations or for careful thought ourselves but invite your attention to the question which Ruspoli has raised.

WILSON

500.A15A4 General Committee (Arms)/99: Telegram

The American Delegate (Wilson) to the Secretary of State

GENEVA, February 21, 1935—1 p. m.
[Received February 21—9:25 a. m.]

985. Supplementing my 984, February 20, 6 p. m., paragraph 2, I suggest consideration of article 33 of the 1925 Arms Traffic Convention.

WILSON

[43] *Foreign Relations*, 1907, pt. 2, p. 1216.

500.A15A4 Permanent Disarmament Commission/95 : Telegram

The American Delegate (Wilson) to the Secretary of State

GENEVA, February 21, 1935—6 p. m.
[Received February 21—2 : 55 p. m.]

986. At the close of the preliminary discussions of the Bourquin Committee (see my 980, February 18, 6 p. m.) the Soviet representative [44] stated that his delegation always maintained that the establishment of a permanent disarmament commission was an integral part of the convention for the limitation and reduction of armaments and explained that he considered it somewhat premature to envisage the establishment of a permanent disarmament commission before the prospects of a convention for the limitation and reduction of armaments have emerged, and before it should be given an adequate object with which to deal. Stein then reserved the opinion of his delegation with respect to the setting up of a permanent disarmament commission until such time as the importance of the objects to be referred to that commission should be established.

WILSON

500.A15A4 General Committee (Arms)/100 : Telegram

The American Delegate (Wilson) to the Secretary of State

GENEVA, February 22, 1935—5 p. m.
[Received February 22—1 p. m.]

987. During the discussion on chapter 2 and chapter 3 of the American draft this morning the Soviet delegate proposed with the object of equalizing the control of state and private manufacture to include a list of private establishments under subparagraph "A" of article 7 and stated furthermore that the possibilities of production of all arms manufacture establishments should form part of the system of publicity.

Stanhope proposed to add a new article to chapter 3 which when presented would abolish the system of governmental export credits to manufacturers. He emphasized the importance of an article of this nature as any such system tends to unrequired and unwarranted increase in arms production. This is especially true of export credits with respect to heavy land materials, naval vessels and aviation. The British delegation attaches much importance to this proposal and will press for its adoption in committee.

I would appreciate instructions covering this point raised by the British.

WILSON

[44] Boris S. Stein.

500.A15A4 General Committee (Arms)/104: Telegram (part air)

The American Delegate (Wilson) to the Secretary of State

GENEVA, February 22, 1935—6 p. m.
[Received February 25—8:45 a. m.]

988. With the exception of a general discussion on February 25th on the subject of "control" the preliminary general review of the various chapters has been terminated.

There is little evidence as yet of any change in the British attitude. Massigli who arrived today tells me that his Government intends during the course of the discussions of the next few days relative to the reply to the German note to press the British hard respecting their attitude toward this convention. Massigli intends to impress on the British here the great importance the French attach to this convention and its essential place in the "general settlement".

During the coming week we will enter into discussion of chapter 2 in the subcommittee on manufacture which sits in private. This discussion will be article by article and amendments will be submitted. In the course of this technical consideration the subject matter of chapter 4 will also be discussed. As I pointed out in my 979, February 17, 2 p. m., the procedure during the past week has been governed largely by the desire of the British and French delegates to avoid a head-on collision in public. A head-on collision seems to be inevitable in the more technical and detailed discussion which we now anticipate. As for my own position it has been simple in the past week to fall in with the ideas of the British and French and not make direct rebuttal to the British views. Such direct rebuttal will, I feel, be indispensable in the more detailed discussion. During these coming discussions we think it more than likely that the French will bring in amendments particularly on chapter 4 which may be of a character which we ourselves as well as the British will find unacceptable. In other words, the line-up on chapters 2 and 3 will appear to be ourselves and the French against the British; on the subject matter of chapter 4, however, we will presumably be sometimes with one and sometimes with the other.

Personally I feel that having presented the convention and really believing in it we should defend it vigorously and I shall act on this assumption unless you give me contrary instructions. As I stated in the meeting this morning the debate so far confirms me in my belief that our draft in its essence offers a middle road and the only one on which general accord is possible.

WILSON

500.A15A4 General Committee (Arms)/103 : Telegram (part air)

The American Delegate (Wilson) to the Secretary of State

GENEVA, February 23, 1935—5 p. m.
[Received February 25—8 : 25 a. m.]

989. My 987, February 22, 5 p. m., first paragraph.

1. The wording of paragraph "a" of article 7 may give some slight basis for Venitzoff's [45] contention as to inequality of treatment given state and private establishments. It does give a peg on which to hang his ideas as to potential production capacity which essentially is the old "potentiel de guerre" theory advanced in the Preparatory Commission.

2. We believe that (*a*) we must be in an unassailable position to defend absolute equality of treatment of state and private establishments and, (*b*) the convention must be confined to matters dealing with actual production of armaments. All provisions dealing with actual or potential production capacity or speculation or estimates dealing with possibilities in this field must be firmly rejected.

3. We have been contemplating the possibility of amending article 7, subheads A and B, and are sending a tentative text herewith merely as an example of how we consider this might be done.

"Paragraph A. Within 3 months after the entry into force of the convention a list of state establishments specifying for each: (1) the name and location of the establishment, (2) a description of the implements of war (categories of arms, arms, or component parts, as specified in article 1) the manufacture of which is authorized;

and thereafter, within 30 days after their occurrence, any changes in the information required under 1 and 2.

Paragraph B. Copies of all licenses to manufacture granted, amended or renewed, within 30 days following the grant, amendment or renewal of the license."

Please instruct.

WILSON

500.A15A4 General Committee (Arms)/101 : Telegram

The American Delegate (Wilson) to the Secretary of State

GENEVA, February 24, 1935—1 p. m.
[Received February 24—11 : 40 a. m.]

990. In preparing for the discussion of "control" in tomorrow's meeting an examination of the amended draft of article 30 raised the thought that paragraph 3E (our despatch number 107 [46] and your

[45] Semen Venitzoff, Soviet member of the League Permanent Consultative Commission for Military Questions.

[46] November 26, 1934, *Foreign Relations*, 1934, vol. I, p. 193.

instruction December 24[47]) might be construed as permitting inspection of war reserves "matériel stocks" and material in the hands of troops. Since the scope of convention is limited to publicity and supervision of production of war material it would appear untenable as outside the scope of this convention if such inspections were permissible. With this in mind we have redrafted 3E and added a subparagraph D to paragraph 4. I quote the suggested paragraphs herewith.

3E. Inspection on the spot of the completed articles of categories I to V inclusive, and the fully processed component parts thereof, produced in state or private establishments, in order to verify the execution of the obligations of the high contracting parties, under this convention, shall be made in the presence of designated representatives of the high contracting parties under investigation.

4D. Articles of categories I to V inclusive, after they are delivered to the armed forces of or have been embodied in war reserves of the high contracting parties under investigation.

I believe that the time has come when a useful purpose would be served by presenting our amendment on article 30 as soon as possible and would, therefore, appreciate instructions at an early date.

WILSON

500.A15A4 General Committee (Arms)/104 : Telegram

The Acting Secretary of State to the American Delegate (Wilson)

WASHINGTON, February 25, 1935—7 p. m.

472. Your Nos. 983, February 20, 5 p. m., 984, February 20, 6 p. m., 985, February 21, 1 p. m., 987, February 22, 5 p. m., 988, February 22, 6 p. m., 989, February 23, 5 p. m., and 990, February 24, 1 p. m.

1. Instruction in regard to French proposal concerning advance publicity will be deferred until your despatch No. 109 of February 12 has been received and considered.

2. In the light of our present information, we are strongly opposed to the British proposal to limit publicity to global returns by categories. It would seem that the more full and detailed the published statistical information in regard to arms manufacture and traffic the more likely we are to accomplish the end we have in view. Telegraph briefly a statement of the reasons which the British adduce in support of their proposal.

3. It is difficult to reconcile the Italian attitude toward Article 2 with the obligations which Italy has assumed under the Covenant of the League or with Italy's compliance with the recent recommendations of the League in regard to shipments of arms to Bolivia and

[47] *Foreign Relations*, 1934, vol. I, p. 211.

Paraguay.[48] Nevertheless, you are authorized, if circumstances require it, to fall in with Ruspoli's suggestion and to accept, should he introduce it and should you be assured that it would remove the fundamental Italian objections to the Convention, a paragraph to be inserted at the end of Article 2 substantially as follows:

"Nothing in this Convention shall be construed as obligating the H. C. P. to prevent the export or transit in time of war for the use of either belligerent of arms and implements of war, nor shall the permitting of such export or transit or the issuance of such licenses as are required by the provisions of this Convention be considered an unneutral act."

The insertion of some such provision would be less objectionable than the insertion of any provision modeled after Article 33 of the Arms Traffic Convention of 1925. The suspension of the licensing provisions in time of war would greatly weaken the Convention. Full publicity in regard to shipments to belligerents should be insisted upon as even more important to the general interest than such publicity in time of peace. It is our understanding that there is nothing in the Draft Articles as they now stand which would prevent any High Contracting Party from carrying out its own policy in regard to shipments of arms to belligerents. Nor would this amendment affect the situation. A High Contracting Party could if it saw fit issue licenses for exports to both belligerents, refuse to issue licenses for exports to either belligerent, or issue licenses for exports to one belligerent while refusing to issue them for exports to the other.

4. The Soviet proposals raise questions which the War Department now has under consideration. In any case it is doubted whether in practice the information obtained by following the Soviet suggestion would be of much value. It is comparatively easy for a factory equipped to manufacture certain types of arms to modify its equipment so as to be prepared to produce certain other types. Your proposed amendments of Article 7 (*a*) and (*b*) are approved. It is hoped that they will meet the Soviet objections.

5. You are authorized in your discretion to concur in the British proposal in regard to governmental export credits. It is suggested, however, that you defer concurring therein until you have assured yourself that other delegations—particularly the French—will not oppose this proposal.

6. Your amended (3) (*c*) and your proposed (4) (*d*) in Article 30 approved.

7. No. 988, final paragraph. Your assumption is correct.

PHILLIPS

[48] See *Foreign Relations*, 1934, vol. IV, pp. 32 ff.

500.A15A4 General Committee (Arms)/104 : Telegram

The Acting Secretary of State to the American Delegate (Wilson)

WASHINGTON, February 26, 1935—2 p. m.

473. 1. The following amended text is suggested for the addition to Article 2 suggested in Paragraph 3 of Department's No. 472, February 25, 7 p. m.:

"Nothing in this Convention shall be construed as obligating the H. C. P. to permit or to prevent the export or transit in time of war for the use of either belligerent of arms and implements of war, nor shall the permitting or the prevention of such export or transit or the issuance of or the refusal to issue such licenses as are required by the provisions of this Convention be considered an unneutral act."

2. This Government is party to a number of treaties containing provisions similar to Article 6 of the Treaty between the United States and Bolivia of 1858 [49] as follows:

". . . nor shall any prohibitions be imposed on the exportation or importation of any articles the produce or manufactures of the United States or of the Republic of Bolivia, to or from the territories of the United States, or to or from the territories of the Republic of Bolivia, which shall not equally extend to all other nations."

Similar provisions occur in commercial treaties between other governments. Some question has arisen as to whether the refusal of a government to issue licenses for the exportation of arms to a country with which such a treaty provision was in force might not be construed as a breach of the treaty. In order that any doubts on this point may be allayed, it is suggested that when an appropriate occasion arises, you propose or arrange to have proposed a new Article 17 as follows:

"The H. C. P. agree that the refusal of any H. C. P. to issue an export license for arms, ammunition or implements of war shall not be considered as constituting a contravention of any treaty stipulation prohibiting the placing of restrictions on the exportation of articles of commerce."

PHILLIPS

500.A15A4 General Committee (Arms)/107 : Telegram

The American Delegate (Wilson) to the Secretary of State

GENEVA, February 26, 1935—6 p. m.
[Received February 26—4 : 02 p. m.]

992. Your 472, February 25, 7 p. m., most helpful. Thanks. Reference paragraph 2, I have discussed this matter further with

[49] Hunter Miller (ed.), *Treaties and Other International Acts of the United States of America*, vol. 7, pp. 733, 739.

the British; they have defended their position publicly by stating that details by numbers would be burdensome and confusing whereas periodic reports on value of various categories would give sufficient indication of trend of production. Privately they state that it is a question of national security. They feel that the details by numbers would jeopardize their security. This is a price they would be willing to pay for a general treaty of limitation but it involves a risk which they are unwilling to take for a limited treaty. They add that their instructions are precise on this subject and that there is no hope of compromise under these instructions.

I have impressed upon them that my own feeling and that of nearly all the continental powers is that the treaty would have no real value unless it included specifications by number of at least the larger weapons such as big guns, tanks and aeroplanes, the construction of which might be an indication of aggressive attempt.

I know they are considering this matter and fully realize that their position may prevent agreement even on technical subjects.

WILSON

500.A15A4 General Committee/1037 : Telegram

The American Delegate (Wilson) to the Secretary of State

GENEVA, February 26, 1935—7 p. m.
[Received February 26—3 : 14 p. m.]

993. The general discussion of the control features of chapter 4 of our draft was terminated this afternoon following the explanation which I had given yesterday concerning these provisions.

Aubert gave an exposition of the French thesis of the automatic and permanent control developing the idea that an adequate publicity on budgets and manufacture involves measures of auto-limitation. He declared that documentary control was inadequate even in this limited convention. Consequently control on the spot is an essential factor and must be concentrated upon the characteristic phase of the production of each object.

In spite of the pledge already given by the British to accept control as part of the general convention on limitation and reduction, Stanhope's arguments were so vigorous against any conception of inspection on the spot as to cause surprise to the Committee. He stressed the necessity of relying on the good faith of the signatories as constituting an adequate guarantee for the execution of the treaties. He reiterated at length the necessity of limiting inspection to the examination of witnesses and the verification of reports in Geneva which form of control should be sufficient for this limited convention. In

criticising the American proposal he pointed out that even under the conception of inspection on the spot our draft did not go far enough since it did not provide for constant inspection at all times of all production which was necessary if inspection on the spot was to be efficacious. He finally expressed the hope that the United States would withdraw its amendment to article 30.

The Polish, Russian, Czech, Spanish and Chinese delegates who also took part in the discussion supported in general our draft. With this meeting the general discussion has been concluded. The *rapporteur* will present to the Committee on Friday a program for its future work.

WILSON

500.A15A4 General Committee (Arms)/108 : Telegram

The American Delegate (Wilson) to the Secretary of State

GENEVA, February 27, 1935—5 p. m.
[Received February 27—3:15 p. m.]

994. Your 472, February 25, 7 p. m., paragraph 5. No one has yet opposed the British suggestion and several speakers have favored it. Immediately after Stanhope's introduction of the project Aubert said privately that he personally saw no reason why it could not be accepted and he informed me yesterday that he had asked for instructions immediately but had not yet received them.

I note a tendency in the British press to contrast the British and American proposals pointing out that the British proposal goes further in some respects than ours, notably in the matter of the prohibition of Government credits for export on arms. It would appear to me strategically advantageous to take an early opportunity of announcing that we support this particular item in order to concentrate on the British the full responsibility of not falling in with the wishes of the majority. At the same time it would make it easier to deal with the British in finding solutions on matters of more importance to us.

Unless you feel strongly that I should await the French decision I would prefer to make a statement on Friday morning, presumably the last plenary meeting for some time.

Please instruct.

WILSON

500.A15A4 General Committee (Arms)/108 : Telegram

The Acting Secretary of State to the American Delegate (Wilson)

WASHINGTON, February 28, 1935—1 p. m.

475. Your No. 994, February 27, 5 p. m. We have no objection to the British proposal in regard to governmental credits for exports. Our hesitation was due to doubt as to the effect which our concurrence therein might have upon the attitude of other delegations—particularly the French—toward the Convention. You are authorized to follow your own best judgment in the matter.

PHILLIPS

500 A15A4 General Committee (Arms)/126

Memorandum by the American Delegate (Wilson) [50]

GENEVA, February 28, 1935.

Mr. Wilson, accompanied by Mr. Mayer, called this morning on the Japanese Consul-General, Mr. Yokoyama, to discuss disarmament questions. Mr. Yokoyama had with him Mr. Yoshimura, who attends the committee work for the Japanese.

Mr. Wilson referred to his call on Ambassador Matsudaira last December when he was in London with regard to the Naval conversations.[51] Mr. Wilson said that now that the "general discussion" was concluded, practically all the delegations had expressed their sentiments on the subject of the American Draft except the Japanese; that while he felt he knew pretty well what the Japanese point of view was, it was always useful to discuss questions with one's colleagues and therefore he would be glad to learn what the Japanese attitude might be as of to-day, bearing in mind that should they prefer not to discuss the matter at all, he would understand perfectly.

Mr. Yokoyama said that he was glad Mr. Wilson had called; that the Japanese position had not changed since they had made it clear in the General Commission and Bureau last year, but that it was always useful to go over things in common. Mr. Yokoyama continued that the Japanese had not taken any part in the debates thus far because they felt they were in the position of observers on the one hand, waiting until the treaty should develop finally before taking any public stand, and furthermore, because they thought it more helpful at this stage—their attitude being what it was—not to speak. He said that to repeat the Japanese position, there were two principal points—

[50] Transmitted to the Department in the delegation's despatch No. 110, February 28, 1935; received March 9.

[51] See *Foreign Relations*, 1934, vol. I, pp. 299 ff.

one, the Japanese desire not to treat State and private manufacture of armament on the same basis; and the other, their opposition to inspection on the spot.

Mr. Wilson and Mr. Yokoyama then reviewed the present situation of the committee work, both agreeing that the primary divergencies of view had come down to two in number: (1) inspection on the spot, and (2) global returns versus specific returns. (Incidentally, Mr. Yokoyama seemed very well informed regarding the course of the discussions and gave evidence of following the matter rather closely.)

Dealing with the inspection features primarily, Mr. Yokoyama wondered whether their difficulties weren't solvable by an application of the regional idea, with Japan and the United States—if we desired—in a different category from the European States who had their special problems and their particular reasons for supervision and control of a very special character. Reference was made to the fact that for more than twelve years the United States, Great Britain and Japan had carried out an agreement involving their most vital defense arm without any supervision or control or the slightest thought or desire for the same. Mr. Yokoyama indicated here the Japanese feeling that there was something dishonorable about subscribing to a supervision arrangement among countries of good faith. Mr. Wilson said that regional treatment of these "universal problems" was a sympathetic one to us and a method which we had often considered. In this case, however, there was the difficulty that Russia was both European and Asiatic. Mr. Yokoyama seemed to feel the force of this point and nodded his head several times during the course of Mr. Wilson's remarks in this regard.

Mr. Wilson then discussed at some length the question of supervision and control. Assuming, for the sake of argument, the Japanese point of view, control was only a nuisance, and the Continental Powers were not concerned with Japan nor indeed with the United States and neither of these countries had anything to fear from an inspection of their execution of the treaty; nevertheless, wasn't this nuisance well worth putting up with if it meant an agreement of this character in which all the States concerned could participate? Mr. Wilson also brought out the advantage which he felt the inspection feature held for a State whose treaty execution was unjustly attacked. He referred specifically to Article 27 where a State can ask for an inspection in such circumstances.

Mr. Wilson stressed the great value to the world in general of an agreement such as that now under negotiation. He also indicated the possibility that since this present draft treaty did not raise the point of "Equality", Germany might be willing to join in, which would be an excellent start toward an improvement of conditions in

Europe in particular and the world in general. Mr. Yokoyama seemed to recognize this point very clearly.

Although Mr. Yokoyama maintained the same position as his Government has held consistently with regard to the question of inspection and control, it did seem during the conversation that Mr. Yokoyama wished to indicate that the Japanese Government did not want to be any more difficult than could be helped in the circumstances; that while being present, it desired to stand aside until the whole picture was before it, when perhaps a final reconsideration might take place in the light of what had been thrashed out and determined and after seeing how general was the agreement.

500.A15A4 General Committee (Arms)/115b: Telegram

The Acting Secretary of State to the Ambassador in the United Kingdom (Bingham)

WASHINGTON, March 2, 1935—2 p. m.

40. We are at a loss to understand the attitude of the British Delegation at Geneva toward important elements of our Draft Convention on Arms Manufacture and Trade and would appreciate receiving your analysis as to the motives for this stand and as to the likelihood of its modification in the course of further discussion.

Please repeat this telegram and your reply to Amdelgat Geneva.

PHILLIPS

500.A15A4 General Committee (Arms)/117: Telegram

The Chargé in the United Kingdom (Atherton) to the Secretary of State

LONDON, March 5, 1935—6 p. m.
[Received March 5—4:10 p. m.]

91. Department's 40, March 2, 3 [2] p. m. In the House of Commons yesterday Simon answered a question in the following terms:

"The view of His Majesty's Government in regard to local inspection in connection with agreed limitation of armaments remains unchanged, but the draft convention to which my honorable friend refers has nothing to do with arms limitation, and in the opinion of His Majesty's Government simpler and less elaborate methods of compiling results are to be preferred than would be suitable when the due observance of agreed arms limitations has to be checked."

In a conversation with the Foreign Secretary this afternoon I pointed out that nothing in Minister Wilson's discussions last autumn in London on the American draft convention indicated that Great Britain would take the position Stanhope had assumed in Geneva.

Simon gave me to understand he was not the last authority on this matter, which I know from other sources has been the subject of great controversy in the Cabinet. He briefly outlined the British position, however, as follows: Great Britain did not want to cede the right of inspection at the present time, since in any final limitation of armaments negotiation it was one of the things that the French most insistently demanded and would be one of the levers that Great Britain could ultimately use in obtaining concessions from the French Government. He pointed out that inspection merely to check reports filed at Geneva was quite a different matter from inspection to check fulfillment of an international agreement on limitation of armaments. He said that if Great Britain agreed to inspection now she would have to lay in great stocks today of certain phases of war materials which she did not possess, "merely for the purposes of window dressing". He added that although English research in material was very great, this was not one of the main reasons for the English position but rather the extent of inspection proposed at Geneva at the present time was such that to cover inspection of all parts manufactured would involve a survey of English manufacture which she was not prepared to accept at the present time and would only grudgingly submit herself to in order to obtain a substantial limitation agreement. He repeated several times that inspection merely for checking "to lighten the darkness" would not be entertained by Cabinet, its policy now being that inspection on the spot must be in fulfillment of an agreement on limitation. He felt that no modification of Stanhope's position was likely under present conditions.

I learn from other sources that the fighting services, more particularly the air service (which as long ago as my despatch No. 407 of January 2d, 1934 [52] on page 2 I pointed out had overspent its allowances) were adamant in refusing a reversal of Stanhope's position and also that the War Office, strong in certain features and neglected in others, had supported the Air Minister. The compromise policy was as stated by Simon in the House of Commons.

Repeated to Geneva.

ATHERTON

500 A15A4 General Committee (Arms)/118: Telegram

The American Delegate (Wilson) to the Secretary of State

GENEVA, March 5, 1935—7 p. m.
[Received March 5—3:50 p. m.]

1000. Among the amendments to chapters 2 and 3 of our draft, the Italian delegate proposes the addition of new articles reproducing

[52] *Foreign Relations*, 1934, vol. I, p. 1.

articles 14 and 28 [*18*] of the Washington Treaty [53] as adopted by the Naval Commission.

Following their presentation to the Committee today I explained that while I was entirely sympathetic with the ideas contained in these articles and while the United States is bound by the Washington Treaty I perceived difficulties surrounding the inclusion of any measures of qualitative limitation whatsoever in this treaty of limited scope. If one measure of this character should be included it might open the way to further limitation proposals and defeat the present treaty by broadening the scope indefinitely. I added, however, that I would consult my Government.

Unless you have decided views to the contrary I feel that we should continue to oppose the inclusion of these articles for the reasons sketched above. At the same time, in view of Italy's attitude toward this convention, I should like to show every consideration possible to an Italian proposal. You may feel, therefore, that it would be worth while to explain our position to Ambassador Rosso.[54]

WILSON

500.A15A4 General Committee (Arms)/117 : Telegram

The Secretary of State to the American Delegate (Wilson)

WASHINGTON, March 7, 1935—noon.

480. No. 91 March 5, 6 p. m., from Embassy, London. The objections to inspection on the spot, which Simon set forth in his conversation with Atherton, would appear to be based upon the false assumption that the inspection provided for in the Draft Articles is intended to cover stocks in reserve and arms in possession of the armed forces of the State. Does the British Delegation thoroughly understand that such is not the case and that the inspection provided for covers arms only in the course of manufacture and up to the time of their delivery?

Repeat to London.

HULL

500.A15A4 General Committee (Arms)/118 : Telegram

The Secretary of State to the American Delegate (Wilson)

WASHINGTON, March 7, 1935—7 p. m.

482. Your Nos. 999, March 5, 11 a. m.,[55] and 1000 March 5, 7 p. m. No objection is perceived to the transfer of Category IV (*a*) (1) to Category I.

[53] *Foreign Relations*, 1922, vol. I, p. 247.
[54] Italian Ambassador in the United States.
[55] Not printed.

The transfer of Category V (*a*) (2) to Category I would appear to be inexpedient and unnecessary. Our manufacturers and those of other producing countries have a legitimate export trade in revolvers and pistols to meet the requirements of civilians for individual protection. Although these articles are an element of military equipment, they are primarily and for the most part used for other than military purposes. It would, therefore, appear to be inadmissible to prohibit their exportation except "for direct supply to the government of the importing state or, with the consent of such government, to a public authority subordinate to it" as provided for in Article 10.

We would have no objection to the elimination of Category V (*a*) (1) and Category V (*a*) (3).

Your position in regard to Articles 14 and 18 of the Washington Naval Treaty is approved.

HULL

500.A15A4 General Committee (Arms)/122 : Telegram

The American Delegate (Wilson) to the Secretary of State

GENEVA, March 8, 1935—noon.
[Received March 8—9 a. m.]

1003. Your 480, March 7, noon. Informal conversation with members of the British delegation indicates Simon's objections to inspection are more fundamental and far reaching than he indicated in his conversation with Atherton. The British appear to be in a precarious condition as to their war reserves which, due to the shortage of money in the past 10 years, has been very seriously depleted. The publication of "orders" followed by inspection on the spot of production would, they claim, clearly indicate their unfortunate position to interested continental nations. This is plausible as inspection on the spot of production would inevitably reveal numbers and the British have consistently opposed "numbers" appearing any place in the convention favoring "values" by categories, headings and subheadings.

Apart from the technical consideration is the political one that the British delegates have repeatedly told me that they recognize the great importance that the French attach to inspection on the spot and they feel that if they give the French "all they want" in this treaty there will be no incentive to the French to go further and to make a more general treaty on limitation of armaments. They consider "inspection on the spot" one of their trump cards and decline to give it away without what they consider adequate recompense.

In addition the British feel that detailed publicity as to orders would furnish a basis for unfair competition which would prejudice

their armaments trade. The maintenance of their production capacity they consider vital to the reestablishment of a sound national defense situation. Members of the British delegation individually appreciate the effect of our amendments of paragraph 4 of article 30 but the Cabinet decision has been taken to the contrary.

Cipher text mailed London.

WILSON

500.A15A4 General Committee (Arms)/162

President Roosevelt to the Secretary of State

WASHINGTON, March 9, 1935.

DEAR CORDELL: Please refer to Wilson's #1003, March 8th, Noon, from Geneva. This is a very significant dispatch which I think you should lay aside for possible future need. It shows two things: first, the unwillingness of the British, because of alleged armament weakness, to accept the principle of open international armament inspection—thus making it impossible to go along with what we have considered essential in its application to Germany; in other words, the only practical way of keeping German armaments down to an agreed on level being to inspect German armament supplies, England dashes this hope by declining to be inspected herself. The last paragraph is a frank admission that the British decline to accept detailed publicity as to armament orders on the ground that it would prejudice their armament trade.

At some future time it may be advisable to pull this rabbit out of our hat as proof that the present British Government is not sincere in seeking limitation or reduction of present world armaments or present world trade in warlike weapons.

I am much discouraged.

Very sincerely yours, FRANKLIN D. ROOSEVELT

500.A15A4 General Committee (Arms)/127: Telegram

The American Delegate (Wilson) to the Secretary of State

GENEVA, March 13, 1935—10 a. m.
[Received March 13—6:18 a. m.]

1006. 1. The Technical Committee accepted without change yesterday category II of our draft.

2. During the debate a suggestion was made and received considerable support for the ultimate rearrangement of categories so as to provide for placing all armaments now covered by categories I, II and III, in a single category. This category presumably would

have four main headings, the first three dealing with weapons designed and intended, respectively, for (*a*) land, (*b*) naval, and (*c*) aerial warfare. A fourth heading would include arms and implements common to two or more of the above three heads such as items now appearing in the first six subheads of our draft of category I. I assume that you would have no objection in principle to such an arrangement which would simplify the execution of the convention and remove certain very real drafting difficulties particularly in regard to component parts.

3. The Committee proceeded yesterday afternoon to consider category III during which we were forced to a sharp difference of opinion with the British in reserving their amendment to include civil aviation in category III. Our thesis received active French and Russian support. Compromise efforts will be continued today.

WILSON

500.A15A4 General Committee (Arms)/155 : Telegram

The American Delegate (Wilson) to the Secretary of State

GENEVA, March 19, 1935—6 p. m.
[Received March 19—2:25 p. m.]

1017. London's 91, March 5, 6 p. m. Jean Paul-Boncour told Mayer this morning that the French Government had made a strong representation at London last week to the British Government with regard to the achievement of the treaty of limited objectives now under discussion at Geneva. The French Government underlined the importance to it of such a treaty in the progress toward and as a very important part of a general convention. Among others Corbin [56] had a long talk with Eden. The latter as was the case with others in the British Government gave Corbin no satisfaction whatsoever, standing entirely on the present British position without the slightest indication of a possibility of alteration of viewpoint.

Repeated to London.

WILSON

500.A15A4 General Committee (Arms)/156 : Telegram

The Chargé in the United Kingdom (Atherton) to the Secretary of State

LONDON, March 20, 1935—noon.
[Received March 20—10:05 a.m.]

122. In reply to a request from Minister Wilson I wrote to him on March 13 outlining a conversation with Eden (copy en route to

[56] André Charles Corbin, French Ambassador to the United Kingdom.

the Department by the pouch [57]). For consideration in connection with Geneva's 1017, March 19, 6 p.m., I venture to cable following summary.

Eden felt there was no chance of any change in British position regarding inspection. He personally, however, felt a compromise was possible "in some such scheme as the mandate idea"; that each country would report their production and would be subject to questioning if the information supplied appeared to be unsatisfactory. He specifically cited that if a nation's figures seemed abnormally small or abnormally large it could be questioned and further information requested. He also said information furnished as to export of war material might form another subject of international questioning.

Eden repeated the substance of views expressed in my 91, March 5, 6 p.m., but laid great emphasis on the fact that while inspection on the spot of, say the manufacture of 6-inch guns, would only entail inspection of some half a dozen factories in this country; for example, the inspection of small arms—he referred particularly to machine guns—would involve such a detailed survey of a nation's plants by such a large personnel as to be almost unworkable; however, they had told the French that they were prepared to do this as part of a limitation of armaments convention and that the French could work out the details since they were optimistic of its practicability.

ATHERTON

500.A15A4 General Committee (Arms)/158: Telegram

The American Delegate (Wilson) to the Secretary of State

GENEVA, March 21, 1935—11 a.m.
[Received March 21—8:50 a.m.]

1019. The French action in seizing the Council with the German situation [58] makes it necessary for me to consult you as to the future of our work here in manufacture of and trade in arms. The Council will presumably meet in the latter part of next week.

A meeting of the Council on a matter of such great importance must mean an interruption of our work during the Council session.[59] It may well mean in addition that the Council's meeting will rob our debates of such reality as the ex parte *démarche* of yesterday has left in them. It may become apparent that the continuance of our debates may exacerbate an already profoundly difficult and delicate situation. Furthermore the opposition between the states that may well develop

[57] Not found in Department files.
[58] See French memorandum of April 9, League of Nations, *Official Journal*, May 1935, p. 569.
[59] Eighty-fifth (extraordinary) session, April 15–17, 1935.

in the Council may also render impossible any conciliation between the opposing theses already existing in the arms discussion.

All of the foregoing paragraph is guesswork and I hope we can continue our work in normal course. However, it seems advantageous to learn from you as early as possible whether you desire me to insist upon the prosecution of our work under all conditions or whether you would think it wiser to permit me, if the situation suddenly demands such a decision, to acquiesce in adjournment.

WILSON

500.A15A4 General Committee (Arms)/159 : Telegram

The American Delegate (Wilson) to the Secretary of State

GENEVA, March 21, 1935—4 p. m.
[Received March 21—2:10 p. m.]

1020. Captain Deleuze, French delegate, has discussed with me the following problem.

Deleuze feels that it is improbable that there will be obligations existing as to navies after 1936, hence both Germany and Japan will be free to build as they please. France and Great Britain in respect to Germany, and Great Britain and the United States in respect to Japan, will not be troubled as much by the amount of construction as by the type of construction. For instance, Japan might suddenly embark upon a program of 14,000-ton 10-inch gun pocket battleships which would upset existing standards. What is needed, according to Deleuze, is timely information in advance of such construction. Would it not be possible then to provide, in connection with the "préavis" of the French proposal (see my 996, February 28, 7 p. m.[60]) that the contemplated construction of naval craft should be announced to the Permanent Disarmament Commission sufficiently far in advance as to allow of parallel construction by neighbors? The advance notice would be given in such a way that particulars as to type would be known at a given period before the laying down of such vessels. Furthermore, the advance notice might vary in length in accordance with whether capital ships, cruisers, destroyers, et cetera, were in contemplation.

Deleuze feels that such a system has the advantage not only of permitting state (B) to undertake in good time the construction to meet construction by state (A) of vessels of a given type and number but also to discourage state (A) from undertaking such construction since the advance notice would destroy any surprise effect. In addition such a system might act as a brake upon a naval race after 1936

[60] Not printed.

and also possibly produce a slowing down of construction for replacement of over-age vessels.

Deleuze has talked to Admiral Ruspoli and Admiral Bellairs[a1] and both seem to regard the project sympathetically, Bellairs having returned to London to discuss it. Deleuze is anxious to find out from us if we would be favorable in principle to such an idea.

WILSON

500.A15A4 General Committee (Arms)/158: Telegram

The Secretary of State to the American Delegate (Wilson)

WASHINGTON, March 22, 1935—6 p. m.

488. Your 1019, March 21, 11 a. m. We hope it may be possible for the Committees to proceed with the work in hand. Nevertheless, if at any time you become convinced that as a result of the general political situation in Europe, no useful purpose can be served by continuing to proceed with negotiations, you are authorized in your discretion to acquiesce in but not to propose an adjournment.

HULL

500.A15A4 General Committee (Arms)/164: Telegram

The American Delegate (Wilson) to the Secretary of State

GENEVA, March 27, 1935—10 a. m.
[Received March 27—7: 11 a. m.]

1026. Plenary Committee on Manufacture and Trade and the Committee on Miscellaneous Provisions met yesterday and completed a general discussion of the principles of chapter 4. Beginning today there will be consideration of this chapter article by article.

Previous positions of the various governments were maintained today with perhaps more precision than before. The United Kingdom made it very clear that they could not accept supervision on the spot. While declaring Great Britain's willingness to have automatic and permanent supervision with investigation on the spot in the event of a general convention of limitation the British representative indicated that the control features of the present draft were out of all proportion to the ends to be accomplished by such a convention. Italy and Poland supported the British point of view.

Fourteen states including our own delegation supported the draft project in varying degrees. They were Denmark, Sweden, Switzerland, France, Spain, Yugoslavia, Russia, Belgium, Turkey, Czechoslovakia, Iran, Afghanistan, China. Certain states, notably Switzer-

[a1] Naval representative of the British delegation.

land, suggested the possibility of compromise possibly by the elimination of inspection on the spot and retaining only supervision of documents at Geneva and in exchange therefor greater detail in publicity particularly with respect to numbers which at present is rejected both by Italy and the United Kingdom.

WILSON

500.A15A4 General Committee (Arms)/163 : Telegram

The American Delegate (Wilson) to the Secretary of State

GENEVA, March 27, 1935—11 a. m.
[Received March 27—9 : 40 a. m.]

1027. Please see my letter to Moffat March 13 and Moffat's letter to Mayer March 8, point *a*.[62]

The so-called first reading of the text will probably be finished this week. Thereupon two questions of procedure will probably arise: (*a*) Shall we continue to work in private or shall we undertake our second reading in public session; (*b*) Shall we in second reading endeavor to write a single text with reservations or shall we write alternate texts.

In the light of my 988, February 22, 6 p. m., and your approval of last paragraph thereof my instinct would be to press for public sessions, public votes on disputed points and a single text with reservations where such are necessary. But the situation in Europe has of course materially changed since those messages were exchanged. The course which I contemplated then might now provoke sharp and dangerous controversy between the states of Europe if position were taken in public. Furthermore, we would run the risk of appearing to take sides in a European alignment. Also I sense among my colleagues a desire not to push this matter to sharp and open conflict at this time. Hence, if we do so push it the responsibility for such results as I have sketched above might well be attached to America.

I have hesitated to burden you with request for advice on procedure but a decision on this point is fraught with dangerous possibilities and of course from Geneva I cannot appreciate what importance our people in America would attach to a public and vigorous fight against Great Britain, Italy and possibly Japan in order to force the issue on a treaty of this character. It seems to us here that the decision as to this question must be premised upon an evaluation of American public opinion. If the demand for action is strong enough to justify us in taking the risks involved in such a procedure we should do so. If not we should not run the risk. Please instruct.

WILSON

[62] Neither found in Department files.

500.A15A4 General Committee (Arms)/163 : Telegram

The Secretary of State to the American Delegate (Wilson)

WASHINGTON, March 28, 1935—6 p. m.

490. Your 1027, March 27, 11 a. m. We feel strongly that the Committees should write a single text with reservations rather than writing a text in two columns.

In view of the general political situation we incline to favor the idea of continuing to work in private. We feel that if reservations of importance are entered by only one or two States, the pressure of public opinion to induce them to withdraw those reservations would be just as effective as public opinion mobilized at this time to prevent their insertion and the attendant dangers of an acrimonious public debate would be avoided.

HULL

500.A15A4 General Committee (Arms)/186 : Telegram

The American Delegate (Wilson) to the Secretary of State

GENEVA, March 29, 1935—10 a. m.
[Received March 29—7 : 40 a. m.]

1028. At yesterday's meeting of the Manufacture Committee the French delegation proposed in the form of a suggestion rather than a definite amendment the insertion of a subparagraph in paragraph B of article 26 providing for the appointment by the regional committees of agents "to reside permanently in the territory of each of the states for which the said committee is competent". The task of these agents would be to effect on behalf of the committee liaison operations and local inspection including surprise visits. The French delegation explained that this system would be the best form of establishing that permanence of control through which alone equality of treatment between producing and nonproducing states could be effected as otherwise nonproducers would be submitted to a more continuous form of control through customs checks. Aubert appealed to the nonproducing states for support. Moreover he believed that the agents who would be accredited to the local authorities could most effectively prepare the task of the Committee. They would be on the spot to proceed immediately to the investigation of any unexpected development and because they were normally resident in the country would create less friction than the formal annual visit of a relatively large inspection committee.

The Soviet representative felt that the proposal reenforced the system of control but reiterated Russia's objection to any system that was not accepted by its neighbors. The French suggestion was sup-

ported by the Czech, Turkish and Yugoslav delegations but opposed by Great Britain and Poland and both of whom felt that it would be hard to distinguish between such a system and that of automatic and permanent espionage. Moreover the British delegate who is taking part in this debate in a purely objective fashion pointed out that any such proposal went far beyond the conception of control envisaged either in the Bourquin report or in the American draft or ever contemplated by the British Government.[63]

While explaining that I would of course refer this suggestion to my Government and that I was speaking in a personal capacity, I pointed out the dangers which I saw in this proposal, namely, that the permanent residence of such agents in foreign states would create opportunities for all sorts of friction with the local authorities and I feared such proposal tended to distort the object of the convention which was primarily that the states assume national responsibility for the control of these matters with international supervision to determine the accuracy of the information submitted. The constant checking by these agents runs counter to the fundamental principle of our draft and departs from the middle way whereon appears to be the only hope of achieving a solution. Please advise if I have correctly interpreted your views.

WILSON

500.A15A4 General Committee (Arms)/159: Telegram

The Secretary of State to the American Delegate (Wilson)

WASHINGTON, March 29, 1935—6 p. m.

492. Your 1020, March 21, 4 p. m. Navy Department states advance notice of naval construction would be to the advantage of the United States and therefore is favorable in principle to such an idea. You may so inform Captain Deleuze in confidence.

HULL

500.A15A4 General Committee (Arms)/188: Telegram

The American Delegate (Wilson) to the Secretary of State

GENEVA, March 29, 1935—8 p. m.
[Received March 29—5: 18 p. m.]

1029. Department's 473, February 26, 2 p. m. At the meeting of the Legal Committee this morning discussion was begun on the Italian amendment (Conference Document CCF 68) relating to suspension of

[63] See note of June 28, 1934, to the President of the Conference, *Conference Documents*, vol. III, p. 888 (Official No: Conf. D./C.G. 170).

provisions of the convention in time of war and our amendment to article 2 (Conference Document CCF 60) on the same subject. Mayer indicated that while there were doubtless many complications and realistic factors in this question which would have to be taken into account our point of view was that it was desirable to maintain the structure of the treaty in time of war. We solicited the views of the other members of the Committee.

The consensus of opinion of the committee was that the provisions of the convention must be suspended in time of war as regards belligerents and, insofar as nonbelligerents were concerned, the provisions should be suspended in regard to manufacture and traffic in behalf of or to belligerents. Several delegates stated that it was inconceivable to imagine the continuance of publicity in relation to production for or shipments to belligerents. It was felt that only by such a frank facing of the realities and by adapting the text thereto could the treaty structure be practically preserved in time of war.

The discussion will continue on Monday.

WILSON

500.A15A4 General Committee (Arms)/186: Telegram

The Secretary of State to the American Delegate (Wilson)

WASHINGTON, March 30, 1935—noon.

493. Your No. 1028, March 29, 10 a. m. We entirely approve of the position you have assumed.

HULL

500.A15A4 General Committee (Arms)/188: Telegram

The Secretary of State to the American Delegate (Wilson)

WASHINGTON, March 30, 1935—3 p. m.

494. Your No. 1029, March 29, 8 p. m. We are still of the opinion expressed in paragraph 3 of Department's No. 472, February 25, 7 p. m. Nevertheless, we do not feel that you should insist on the maintenance of the provisions of the Convention in time of war if such insistence would place the Delegation in opposition to all or almost all of the other important Delegations. You are, therefore, authorized, in your discretion, if you feel that the situation demands it, to acquiesce in the position which appears to be that of the overwhelming majority.

HULL

500.A15A4 General Committee (Arms)/209 : Telegram

The Ambassador in the United Kingdom (Bingham) to the Secretary of State

LONDON, April 3, 1935—7 p. m.
[Received April 3—3:35 p. m.]

158. With reference to recent French proposals at Geneva for amplifying notice of laying down naval vessels envisaged in present clauses taken from Washington and London treaties and included in American draft proposal convention covering trade and manufacture of armament, Captain Danckwerts, in the presence of Admiral Bellairs, expressed to Naval Attaché today attitude of British Government as follows: British Government views French proposition sympathetically but believes it should be held in abeyance until proposals discussed last autumn in London naval negotiations [64] for qualitative and quantitative limitation of naval vessels or, alternatively, proposal for declared building programs be further discussed and definitely accepted or rejected. These latter proposals to be considered if a naval conference is called this year.[65]

Naval Attaché requests copy of this telegram be transmitted for the information of naval intelligence.

Geneva informed.

BINGHAM

500.A15A4 General Committee (Arms)/318

The Ambassador in the United Kingdom (Bingham) to the Under Secretary of State (Phillips)

LONDON, April 5, 1935.
[Received April 17.]

DEAR MR. PHILLIPS: I learned the other day through roundabout channels that the French naval delegate at Geneva suggested "personally" on March 1st to the Italian naval experts, and afterwards to Admiral Bellairs, in the sense of Geneva's telegram to the Department of State No. 1020, March 21, 4 p. m. On April 3rd, in the course of a visit to the Admiralty, the Naval Attaché learned the British attitude in regard to this important question, as expressed in my No. 158, April 3, 7 p. m.

I am, of course, in accord with the Department's instruction to Geneva No. 492, March 29, 6 p. m., stating that the Navy Department is favorable in principle to such an idea, but, in so far as proceeding

[64] See *Foreign Relations*, 1934, vol. I, pp. 217 ff.
[65] See pp. 64 ff.

with the development of this suggestion, I believe that we should conform to what we now know is the British attitude; that is, one of sympathy with the proposal, but that it should be held in abeyance for reasons which I venture to set forth.

The French proposition is an amplification of a clause in the American proposed draft convention. This clause is, at the same time, Article 10 of the London Treaty.[66] A discussion of a modification of this clause then becomes a discussion of the modification of one of the existing naval treaties which has not yet lapsed. The countries concerned, and definitely Great Britain and the United States, who, in the last analysis, probably see eye to eye, envisage something to replace these treaties when they do lapse which will be as comprehensive as is attainable. I believe the attainable is probably considerably greater than the proposition now under discussion as proposed by the French at Geneva. The naval conversations intermittently in progress, initiated by the British, in whom rests the initiative for their continuance, naturally center in London. Presumably they will culminate in a naval conference, and I read in today's press that Secretary Swanson [67] has stated his belief that there will be a London naval conference this year.

I feel the more comprehensive results hoped for here may be jeopardized by possible misunderstandings if explicit changes in existing treaties be now taken under discussion by Geneva in addition to London. Therefore I venture my opinion, for your consideration, that the policy to hold in abeyance development of the French Geneva proposal seems sound.

As reported in my telegram No. 121, March 19, 7 p. m.,[68] the Germans will be coming to London for naval conversations shortly after Easter. When he was in Moscow, Eden told the Russians that if they wished to have naval conversations any delegation they might send to London would be welcome, so there may be, subsequent to the German, Russian conversations. There are, however, definitely scheduled, after the Germans leave, discussions between the French, Italians and British. These will probably take place in early May in London. With the Italian 35,000-ton battleships under construction, and the French ones authorized, the British proposition for the reduction of the size of battleships will probably not be the most immediate point at issue in these conversations. The question of 14-inch guns, however, will loom very large. I believe the British, from opinions expressed by members of the American delegation last October, understand that we would agree to 14-inch maximum guns provided all other countries

[66] *Foreign Relations*, 1930, vol. I, p. 107.
[67] Claude Swanson, Secretary of the Navy.
[68] *Post*, p. 66.

would agree. If this is correct, and they could have such an assurance from the United States, the British would be able to stress the desirability of such a limitation agreement with the French and Italians, and point out as a further argument that they had been assured that the United States would agree to such a proposal provided all other countries agreed. Eventually such a limitation would affect Japan as well.

The Foreign Office has pointed out to this Embassy that the matter is urgent, since, if the Italians provide mountings in their naval construction for larger guns than 14-inch, it will be very difficult to get them to reduce, and likewise what the Italians build the French will insist upon duplicating, and then the race in the size of guns will become universal. The Foreign Office has stressed more than once the hope that before the British-Franco-Italian naval conversations take place in early May they may have some American assurance in regard to this 14-inch gun limitation. If this 14-inch maximum gun be the Navy Department view and our accepted policy, could I be definitely informed and authorized to advise the British. In this way it would seem to me that we might make a real contribution towards limitation in these forthcoming British-Franco-Italian conversations provided the United States policy favors a 14-inch maximum gun.

I have written this letter direct to you rather than as an official despatch, since it carries many personal opinions, and I have assured the Foreign Office that the matter of the 14-inch maximum gun would have urgent attention.

Sincerely yours, ROBERT W. BINGHAM

500.A15A4 General Committee (Arms)/257

The Ambassador in the United Kingdom (Bingham) to the Secretary of State

No. 1347 LONDON, April 6, 1935.
[Received April 17.]

SIR: I have the honor to refer to the Embassy's confidential telegram, No. 122, March 20, 12 noon, giving a summary of a conversation with Mr. Anthony Eden in regard to the British position on inspection. In the House of Lords on April 3 Viscount Cecil asked whether it was true that the representative of the British Government on the Sub-Committee at Geneva dealing with the manufacture of and trade in arms had refused to agree to international control on the spot; whether any other Power had supported the British Government in taking that point of view and, if so, which; and what was the reason

for which the British Government was taking that attitude which, in the view of several other Governments, was fatal to the success of the negotiations. He deplored the fact that on this important matter the House was not fully informed, and moved for Papers.

Earl Stanhope, the Parliamentary Under-Secretary for Foreign Affairs and representative of the British Government on the Sub-Committee at Geneva, replied that he was not at liberty to state the nature of proceedings in the Sub-Committees at Geneva for the reason that those Committees are sitting in private and that until their reports are made public he could not properly transgress the rules by revealing the nature of their deliberations. He said that he was not going to deny or affirm the suggestions made by the Press as to the British attitude, but that he could, of course, say that the British delegation was taking the same general line in regard to these matters that he announced in the open sessions at Geneva last month. He said that the proposals submitted to the Committee by the United States in their draft protocol were based on two principles: (1) national control of arms manufacture and trade on internationally agreed lines, and (2) international publicity and supervision to assure that the objects of the Convention are attained. He said the system proposed by the United States seemed to the British unnecessarily complex for the object in view. He said that all were agreed that the control both of manufacture and trade should be of a national and not an international character, and therefore that when it was proposed in the United States draft that there should be set up international committees, who should be in every country, to supervise this control and to supervise the returns, he felt that such a system was unnecessary. They proposed instead that it would be sufficient if the returns which were given on a national basis were to be supervised at Geneva by the Permanent Disarmament Commission which it had been proposed to set up there.

On returning to Lord Cecil's motion, Earl Stanhope begged him to be patient until the report of the Committee was available. The motion for Papers of Lord Cecil was withdrawn.

A single copy of the complete discussion from Hansard of April 3 is attached hereto.[60]

Respectfully yours,

For the Ambassador:
RAY ATHERTON
Counselor of Embassy

[60] Not printed.

500.A15A4 General Committee (Arms)/235 : Telegram

The American Delegate (Wilson) to the Secretary of State

GENEVA, April 10, 1935—9 p. m.
[Received April 10—4 : 35 p. m.]

1034. After 10 days of intensive discussion of various proposals and suggestions the Committee is at present engaged upon the preparation of a draft text for the articles covering the regulation of and trade in arms. In general a single text will figure in the report which reproduces in a fairly satisfactory manner the basic principles and ideas of the American proposal. This text will cover the four chapters of the American plan with the addition of certain general articles elaborated by the Legal Committee. In separate columns there are reservations attached to every important article as well as extensions of some of their provisions. In the main, however, the text which the Committee is now preparing for second reading represents the views of the majority and does not depart fundamentally from our thesis.

The Japanese delegation became vocal at this stage as they have indicated to us would be the case. They associated themselves generally with the British attitude and made frequent reservations regarding quantitative publicity and inspection on the spot.

A public plenary session to close the first reading is set for Saturday morning. Please see final paragraph Mayer's letter to Moffat, March 30.[70]

WILSON

500.A15A4 General Committee (Arms)/256 : Telegram

The American Delegate (Wilson) to the Secretary of State

GENEVA, April 13, 1935—5 p. m.
[Received April 13—3 : 25 p. m.]

1035. The draft report conference document [71] which follows the outline contained in my 1034, April 11 [*10*], 9 p. m., was adopted in Plenary Session by the Committee this morning. Copies will be mailed immediately to the Department.[72]

Henderson was present at the session and addressed a few words of appreciation of the work accomplished. He hoped that the second reading could begin at an early date when circumstances would permit but made no specific proposal for further meetings. He will devote the next 3 days to discussing the prospects for a meeting of the Bureau with the delegates to the Council.

[70] Not found in Department files.
[71] *Conference Documents*, vol. III, p. 785 (Official No: Conf. D. 168).
[72] Despatch dated June 18, not printed.

The Canadian delegate explained that he had received instructions from his Government to accept the principles of inspection on the spot, transit licenses, distinction of treatment between civil and military aircraft and publicity of orders.

In a brief statement I proposed the adoption of the report indicating that I still felt that the middle road proposed in our draft, the essential features of which are contained in the middle column of the Committee draft, offer the best hope of eventual success. This draft contains the elements of solution and the next step is up to the governments to find the grounds for agreement.

Aubert developed at considerable length the "maxima list" position with respect to the draft. In other words the position of the French delegation is that through this convention they may obtain enough information respecting the future of other people's armaments to enable them to meet any presumptive threat of aggression. For this reason they feel that the middle ground is objectionable in that the publicity envisaged therein is too long delayed and maintain their thesis which in our opinion goes beyond the limited objectives of this treaty.

Stevenson,[73] who followed him, reviewed in an impressive fashion the British proposals for a simplified scheme which his Government considers the maximum accord possible at the present time and appealed earnestly to the governments concerned not to take the responsibility of another failure by insisting upon a more ambitious program which certain states could not accept. He urged them to adopt the scheme outlined by Stanhope in the early days of the Committee's work as being the only generally acceptable scheme. He was superseded in this contention by the Polish and Italian delegates. The Japanese delegate stated "that if his Government was compelled to choose between the two conceptions of a treaty it would choose the British".

The Soviet representative backed the French proposals.

The representatives of Sweden, Switzerland and Spain advocated a compromise between the two schools of thought.

Nearly all the members of the Committee recognized the impossibility of continuing the work at present and will accept postponement of the second reading until the governments have had an opportunity to study the proposals and agree among themselves with the President when will be the most appropriate time for continuing the work with any hope of success.

The Committee has adjourned without any discussion as to a date of convocation.

WILSON

[73] Ralph C. S. Stevenson, Assistant Adviser on League of Nations Affairs in the British Foreign Office.

II. FIRST READING OF TEXT PREPARED BY THE UNITED STATES (NOVEMBER 20, 1934)

500.A15A4 General Committee (Arms)/287

The American Delegate (Wilson) to the Secretary of State

No. 112 GENEVA, April 15, 1935.
[Received April 25.]

SIR: Supplementing my telegram No. 1035, of April 13, 5 p. m., I have the honor to report that the Committee on the Regulation of the Manufacture of and Trade in Arms adjourned Saturday, after examining and adopting the report of the first reading of the project which the American Delegation had submitted.

These two months of negotiation represent a period full of the most difficult decisions that I have been called upon to make in negotiations. They also represent a period in which negotiation was carried on in the strangest possible atmosphere. The negotiations at Geneva were obviously and continuously conditioned upon events of major political importance happening in Europe. It will be remembered that during this period the Franco-British accord was reached in London;[74] the British White Paper on German rearmament was published;[75] Hitler developed his famous cold in the head; the reorganization of the German Army was announced;[76] the visits of Sir John Simon and Eden to the capitals of the Continent took place, and finally the conversations at Stresa were begun,[77] to be followed immediately by the Special Session of the Council of the League on France's complaint as to Germany's violation of the Treaty of Versailles.[78]

It will be remembered that Mr. Norman Davis and myself had prepared the ground as thoroughly as we were able to before the presentation of our project. We thought we had eliminated surprises, especially from the side of the British, as we had even informally left a copy of our project with them in London before the presentation to the Bureau. We had expected that our troubles would lie in the endeavor of France and other Powers to widen the scope of the treaty. Hence I had anticipated that apart from indifference and possible hostility from Italy, the only major objection to our scheme would be an indifference on the part of Japan.

[74] See British Cmd. 4798, Miscellaneous No. 1 (1935): *Joint Communiqué . . . Conversations between the French and British Ministers in London, February 1st to 3rd, 1935.*

[75] British Cmd. 4827 (1935): *Statement Relating to Defense Issued in Connexion with the House of Commons Debate on March 11, 1935.*

[76] For decree of March 16, 1935, see vol. II, p. 296.

[77] See British Cmd. 4880, Misc. No. 2 (1935): *Joint Resolution of the Stresa Conference Including the Anglo-Italian Declaration and Final Declaration, Stresa, April 14, 1935.*

[78] League of Nations, *Official Journal*, May 1935, p. 569.

The Department then will understand my surprise at being faced with the British decision when Lord Stanhope reached Geneva. It was apparent at once that without a prompt and serious change in British policy nothing in the nature of a united text could be expected. This was the more true in view of Great Britain's prestige. The vigor with which they defended their project, and their insistence upon it as the only practicable basis had built up the conviction in the minds of many of the Delegates that if anything was to be done it would have to be done on the basis of the highest common denominator of their opinion, namely, the plan which the British, Italians and eventually the Poles and Japanese appeared willing to accept. There is no evidence, however, that the French and those who support them would accept a minimum text.

Although in many respects the text shows a harmony of views between the French and ourselves, there are however real differences in the conception of this treaty between the French and certain Continental States on the one hand and ourselves on the other. It is clear that the French are primarily interested in what the publicity and supervision features of the proposed treaty would reveal with respect to German armament, both from the point of view of "forewarned is forearmed" and also possibly from the more constructive point of view of reduction of programs, once these are known sufficiently in advance. To us the purpose of the treaty is to eliminate certain evils and abuses in connection with the arms trade. We believe that appeasement of international relations would ensue, but it would be a by-product. In other words, the French idea is based upon preparation for war, while ours is for correction of abuses in peace time.

It is natural that the French conception of the purposes of the treaty leads to maximalist development whereby there should be the greatest amount of advance information on the most extended scale and inspection during manufacture with respect to matériel.

Our draft based as it was on previous texts worked out at Geneva, contained many elements inserted to satisfy the French. As the discussions continued, the diverging conceptions became more apparent and we came to recognize that those portions of our text on which the French were most insistent were in many respects those which we had inserted with the greatest reluctance.

As to the text itself, I think very little explanation is necessary. The divergencies and accords are clearly indicated and a reading of the left hand column, together with the center column, where there is no opposition, will give a clear idea of the British proposal. I commend also for its lucidity the speech of Mr. Stevenson in the final meeting (contained in the Minutes of the Meeting of April 15th), which gives an excellent analysis of the British point of view. (I append one

copy of Mr. Stevenson's speech [79] as the Minutes are not yet available, but will be forwarded shortly).

The text shows a multitude of reservations in the right and left column. I invite attention to the fact that most of the reserves hinge upon three important differences of opinion:

1. Publicity of orders;
2. Whether reports are to be on value only or on values and numbers;
3. Inspection on the spot.

If accord on these three points were to be realized, most of the reserves would fall automatically.

I think it well to explain one article: "Chapter V. General Dispositions—Article *c.* Derogations."

The text of this article is based on former Article 88 of the British Draft Convention, which in turn was derived from a similar article in the project of convention prepared by the Preparatory Commission.[80] It developed in the discussions in the Legal Committee that a number of States felt that this escape clause was necessary. During these debates no mention was made of the feature of consultation contained in the penultimate paragraph of this article. The debate was confined to the advisability or non-advisability of an escape clause. Our Representative on the Committee therefore felt it wise not to introduce a discussion on the matter of consultation but to confine it to the principle of whether or not an escape clause was advisable. Article *c.* was never debated in full Committee, since the report from the Legal Committee was only received a day or so before the last session. Since, however, this article contained something in the nature of an engagement to consult, I thought it wise to offer a firm reserve on the whole article without going into details as to why. This reserve will be found in Part III "Observations and Reserves on the Matter of the Draft Text, No. 86 [*92*]." [81]

There was no disposition on the part of any of the Delegations to press for an immediate resumption of the work or for embarkation on a second reading in the immediate future. It was felt by all that the divergencies were such that the principal producing governments must get into an agreement as to the general type of text acceptable before it could be useful to start on a second reading. It looks now as if the governments will have to decide eventually whether they desire to have a minimum treaty, such as the British propose, or to refrain from further efforts in this matter until the future discloses whether

[79] Not printed.

[80] League of Nations, Conference for the Reduction and Limitation of Armaments, Geneva, 1936, *Conference Documents*, vol. I, p. 7.

[81] *Ibid.*, vol. III, p. 821 (Official No: Conf. D. 168).

or not there is to be a general treaty of limitation, in which event undoubtedly Great Britain and presumably Italy will modify their attitude.

In any case, with events of vast importance taking place on the Continent, it would undoubtedly be a mistake to push further in this matter in the immediate future and until we have seen something as to the nature of the settlement arrived at, or the complete political anarchy to follow failure to reach such a settlement.

One additional copy of this despatch is being transmitted for the use of Mr. Norman Davis.[82]

Respectfully yours, HUGH R. WILSON

500.A15A4 General Committee (Arms)/319

The American Delegate (Wilson) to the Secretary of State

No. 114 GENEVA, April 20, 1935.
[Received May 1.]

SIR: I have the honor to supplement with the following information and comment my despatch No. 112, of April 15, 1935, with regard to a treaty for the regulation of the manufacture of and trade in arms, and my despatch No. 113, of April 17, 1935,[83] transmitting a memorandum of a conversation I had recently with Sir John Simon.

Sir John himself initiated discussion with me on the question of our recent committee work here at Geneva. As my memorandum indicates, I gave him the substance of my views on the present phase of our work. His surprise at the fact that his Delegation had repudiated all mention of "numbers" may have been merely that he was not informed as to the details of this negotiation. On the other hand, it may be that there is not entire agreement on this point in the British Government and a chance exists for reconsideration of the matter at a later stage.

We only had opportunity for very brief conversations with other members of the British Delegation to the Council on this subject. They said, however, that the Japanese had given them every reason to believe that they would agree to a minimum text such as the British favored. Furthermore, their conversation implied that they thought it not unlikely that the Germans would adopt a similar attitude if the European situation permitted a treaty of any kind. It is evident that the British have discussed this matter with the Japanese and

[82] Former head of the American delegation, 1933–34. Mr. Davis continued to be consulted on matters pertaining to disarmament, and was appointed Chairman of the American delegation at the London Naval Conference, December 1935. For correspondence concerning the Conference, see pp. 64 ff.

[83] *Post*, p. 248.

the Germans. In this connection, there is the statement Sir John made to me and which I have reported in my memorandum under reference, stating his thought that a manufacture and trade treaty would be highly useful as there were hopes of bringing both Germany and Japan into such a treaty.

I also took occasion recently to discuss the matter with Monsieur Komarnicki, Chief of the Polish Delegation and *Rapporteur* of the committee work. Monsieur Komarnicki spoke of the time-table for the next few months with respect to the negotiations among the Great Powers, mentioning the fact that the Council and Extraordinary Assembly meetings are set for May 20th, or thereabouts, when, among other things, the Committee of Thirteen Powers will discuss the question of sanctions for unilateral breaches of treaty; that shortly thereafter the Danubian Conference is expected to be held at Rome;[84] and that meanwhile intensive diplomatic discussion will take place everywhere in Europe. Barring the unexpected, M. Komarnicki felt that it was impossible to believe that there could be any consideration of the resumption of disarmament work in the next few months. If and when the European situation unscrambled itself sufficiently to permit of further exploration for a treaty on manufacture and trade, M. Komarnicki felt it could only be successfully accomplished by the United States taking up the burden again and discussing separately and privately with the French and the British the fundamental differences which have emerged as a result of the committee work. M. Komarnicki felt that quite possibly both the British and the French might eventually be willing to agree to a compromise. The British might fall in with the idea of "numbers" and the French might abandon their insistence upon automatic and continuous inspection on the spot. If we should undertake this work and were successful in private discussions with the French and the British, M. Komarnicki felt that then the only way to put it to use would be to cut through the morass of Geneva procedure and the background of unsuccessful accomplishment here by the United States urging a special extra-League conference on the particular subject of manufacture of and trade in arms.

This idea of a conference to be called by the United States outside of Geneva was broached privately to us by M. Jean Paul-Boncour several weeks ago. At the time, M. Paul-Boncour underlined that this idea was entirely his own, etc., etc., but I could not help having the feeling that it had at least been discussed in Paris and quite possibly had the approval of the Quai d'Orsay. Doubtless M. Komarnicki got the idea from M. Paul-Boncour, between whom there is a close relationship.

[84] The proposed conference was not held.

I have given no particular thought to the question of our calling such a special conference; it is a subject which I should want to weigh carefully even before recommending it to you for serious consideration. I feel, however, that M. Komarnicki's analysis is correct, namely, that nothing can be done here by the Committee for the next few months; that if in the autumn the moment seems auspicious to bring up again the question of a treaty on the regulation of the manufacture of and trade in arms, the ground must be carefully prepared—and doubtless on our initiative—by private discussion with the French and the British; and that not only no further committee work or conference session should take place until the fundamental differences are solved, but that such meeting should be called only for final drafting and preparation of the text.

This accords with the view Sir John Simon expressed to me during the recent extraordinary meeting of the Council: that of the several alternatives with respect to the Disarmament Conference he preferred that of keeping the Conference in being although not in session in the hope that at some moment in the future the constant change of the European situation will present an opportunity when something useful may be done. I share this opinion. At the same time I feel that we should not have any illusions as to the chance that such an opportunity will present itself.

Respectfully yours, HUGH R. WILSON

500.A15A4 General Committee (Arms)/318: Telegram

The Secretary of State to the Ambassador in the United Kingdom (Bingham)

WASHINGTON, April 30, 1935—7 p. m.

101. Your letter, April 5, to the Under Secretary. This Government's willingness to consider reduction of gun calibers on battleships to 14 inches is—and in conversations with the British always has been understood as—conditional not only upon agreement of all naval powers but also upon the negotiation of a general naval settlement acceptable to the United States. The 16 inch gun is better suited to our needs and a limitation to 14 inches would represent a substantial sacrifice on our part which we would not feel justified in making without corresponding concessions on the part of others in the interests of a general understanding. We are, therefore, unable to treat the question of gun caliber on battleships as an isolated issue.

While we cannot at this time commit ourselves in favor of a reduction of gun calibers on battleships, we are prepared to state, and you may so inform the Foreign Office, that we hope, on the basis of a general settlement satisfactory to all parties, to be able ultimately

to agree to such reduction and that, with this in mind, we view with sympathy the British Government's efforts to induce the French and Italian Governments to abandon or suspend the construction of guns exceeding 14 inches in caliber. You should add that what you have said is without prejudice to the American position regarding a reduction of the size of capital ships, to which the United States must continue its opposition.

HULL.

500 A15A4 Steering Committee/482: Telegram

The American Delegate (Wilson) to the Secretary of State

GENEVA, June 19, 1935—2 p. m.
[Received June 19—10:38 a. m.]

1045. Aghnides asked to see us this morning and outlined his ideas with regard to further progress in disarmament work at Geneva. He believes that there will be a Bureau meeting at the time of the Assembly, say the middle of September. Henderson is more anxious than ever to have this meeting and the principal powers concerned with whom Aghnides has spoken have shown their acquiescence.

Assuming as he does that Bureau will meet in September Aghnides believes that its business will first be a report by Henderson of the work of the Manufacture and Trade and other Committees last spring. Thenceforth Henderson will request from the powers concerned on the basis of the General Commission's resolution of June 8, 1934,[85] information on the course of the "general negotiations" which have been going on in the interval. It would then be for the Bureau to discuss and determine; (1st) whether the Conference should continue to suspend its work; (2d) whether work on the limited objectives determined upon on November 20 last could practically be resumed, or; (3d) whether the moment was opportune to take up again the more fundamental problems of disarmament.

Aghnides believes that the request for information may well elicit statements from the British with regard to their recent naval agreement with Germany [86] as a definite step in his proposals of armament limitation and respecting either a Locarno air agreement or the progress of negotiation in that regard if agreement has not been achieved. Aghnides thinks it quite likely that if the British can show at the Bureau meeting that they have concluded a limitation agreement on naval affairs with the Germans and an agreement of the Locarno powers with regard to air armament the obvious implication will be that it then remains to take up seriously the question of land arma-

[85] *Foreign Relations*, 1934, vol. I, p. 113.
[86] See pp. 162 ff.

ment. This would not only be good pre-election politics for the British but also would enable them to bring a great deal of pressure on the French, et cetera, in regard to land limitation.

WILSON

500.A15A4 Steering Committee/482 : Telegram

The Ambassador in the United Kingdom (Bingham) to the Secretary of State

LONDON, June 28, 1935—2 p. m.
[Received June 28—10 : 20 a. m.]

294. From Hugh Wilson. Henderson has confirmed to me approximately what I reported recently from Geneva after conversation with Aghnides. He contemplates calling a Bureau meeting for September 16th probably followed by a General Commission meeting 10 days later.

Henderson explained that the negotiations appeared to be taking a turn which for good or evil is not in accordance with Conference procedure. He can no longer assume the responsibility of allowing the Conference to lapse through inanition. He feels he must share that responsibility with the Bureau. Unless at the Bureau meeting there are indications of a speedy resumption of work Henderson will urge the Bureau to adopt a resolution to lay before the General Commission the question of the future of the Conference.

Am writing Mr. Davis direct.

Cipher text to Geneva. [Wilson.]

BINGHAM

500.A15A4 General Committee (Arms)/357 : Telegram

The Ambassador in the United Kingdom (Bingham) to the Secretary of State

LONDON, June 28, 1935—3 p. m.
[Received June 28—1 : 10 p. m.]

295. From Hugh Wilson. Lord Stanhope requested me to call on him and Stevenson at the Foreign Office. He stated that the British were anxious to make progress on manufacture and traffic in arms, that they thought that the time might become propitious in a relatively short period since Germany, having entered into a naval agreement with them, was in a frame of mind to make agreements of different kinds and try to settle up all possible loose ends. They (the British) had been considering what could be done to enable a second reading of the draft convention to be successful and, while they had

reached no decision, Stanhope desired to lay before me certain thoughts to which they were giving consideration.

Stanhope then stated that they could not recede from their position to the effect that they could not admit publicity of numbers and inspection on the spot on war matériel (on which there was no treaty of limitation). But he added, naval war matériel is limited. Air matériel will probably be limited shortly, at least among the Locarno Powers.[87] It might be possible for the British Government to agree to give full publicity on numbers and admit inspection on the spot on naval and air matériel, adding a protocol to the treaty to the effect that, if and when land matériel should be limited, quantitatively or qualitatively, full publicity on numbers and inspection on the spot would be automatically applied to such matériel as well.

He pointed out that as I knew the British Government believed their acquiescence in inspection on the spot was one of their best cards to use in persuading associated governments to enter agreements of limitation. They were determined not to give up this card except where limitation had been achieved. Stanhope is inclined to believe that the suggestion above outlined would be a strong inducement to the French Government to enter into agreements of limitation with Germany on land matériel. Also he thought that the structure should appeal to French logic. He then inquired what I thought of it.

I stated that the idea was so new that I could give him no indication of what my Government thought of it; that offhand I was inclined to think it might offer interesting possibilities and that I would consult you regarding it. I told him, however, what I had told him before, that it was my personal belief that any pressure brought on the French to change their attitude should be done by Great Britain and not by us as the French had worked with us through the negotiations and had backed our project strongly. It was not fair therefore for us to cut our project watching them. The utmost that we might do if my Government considered the British idea interesting would be to say to the French after the British had taken it up that if the French were willing to consider this notion we believed that we might also fall in with them.

I suggest that you may desire to delay real consideration of this problem until I return to Geneva and until I have had a chance to study with my staff what the possibilities are of this suggestion.

Aubert has sent word that he wants to talk to me in Paris, and I shall report any French views later.[88]

Cipher text to Geneva. [Wilson.]

BINGHAM

[87] i.e., Belgium, France, Germany, Italy, and the United Kingdom.

[88] No further communication in this connection is found in Department files.

500.A15A4 General Committee (Arms)/357 : Telegram

The Secretary of State to the American Delegate (Wilson)

WASHINGTON, June 29, 1935—noon.

497. Wilson's telegram No. 295, June 28, 3 p. m. from London. I concur in your opinion that consideration of the British suggestion may well be deferred until after your return to Geneva.

In the meantime without desiring to commit ourselves definitely, you are informed, for your guidance, that we feel that it would be unwise for us to entertain any suggestions for compromise on the essential points which Stanhope and Stevenson have discussed with you until there is definite reason to believe that concessions on our part would result in a general acceptance of the Convention in the immediate future.

HULL

500.A15A4 General Committee (Arms)/358

The American Delegate (Wilson) to the Secretary of State

No. 119 GENEVA, July 16, 1935.
[Received July 26.]

SIR: I have the honor to refer to my telegram No. 295, of June 28, 3 p. m., from London and the Department's telegram to Geneva, No. 497, of June 29, 12 noon, on the subject of my recent conversation in London with Lord Stanhope concerning the question of a convention for the control of the manufacture of and trade in arms. On my return here I discussed with the other members of the Delegation at Geneva the British suggestions which Lord Stanhope brought to my notice at that time. I take this occasion to report the substance of these discussions.

To recapitulate briefly, Lord Stanhope's suggestions were for the application of the principle of publicity on numbers and inspection on the spot *pari passu* with limitation of armament. That is to say as soon as limitation was agreed upon with regard to certain matériel such as, for example, airplanes, publicity on numbers and inspection on the spot should automatically apply thereto. As for the matériel not covered by limitation agreements, there could be no question of publicity on numbers and inspection on the spot—the old idea "no tickee, no washee!"

The Department will recall that Lord Stanhope appeared to have in mind that as soon as air matériel would be limited by agreement among the Locarno Powers, which he hoped would be shortly as the subject was then under discussion, it might be possible for the British Government to agree to give full publicity on numbers and admit

inspection for naval and air matériel, adding a protocol to the treaty to the effect that if and when land matériel should be limited quantitatively and/or qualitatively, full publicity on numbers and inspection on the spot would be automatically applied to such matériel as well.

This was the basis for our discussion here at Geneva on my return from London. There appeared two aspects for us to consider: namely, the question of the progress of the work for the regulation of the manufacture of and trade in arms, and the future policy or method for its accomplishment, as viewed from this end. In the present state of affairs in Europe, it is sometimes difficult to distinguish between these two aspects, as the one will have a real if not determining effect upon the other. For the purposes of our present analysis, however, I think it wise to consider the two angles of the question as distinctly as may be.

Regarding the question of progress, the Department will note that Lord Stanhope hoped that air matériel would be limited shortly among the Locarno Powers, and the British Press as well as the Government have all underlined the desirability of the rapid conclusion of an air Locarno which would involve limitation of that arm, at least among the five Locarno Powers. This would not only be another step in the direction of limitation such as the recent Anglo-German naval accord, but would be calculated to exert considerable pressure on the French to proceed at once with the third and remaining aspect of the disarmament problem: namely, land armament. To begin with, an agreement such as Lord Stanhope discussed, which would give full publicity on numbers and admit inspection on the spot for certain aspects of the problem, including a protocol dealing with the third feature, would only be practicable if and when questions regarding air matériel were settled. It would therefore seem impossible to take any practical steps toward a realization of the British suggestions until an air agreement has been reached. Since my conversation with Lord Stanhope, the state of European politics has become even more confused and, for the moment at least, disheartening, with the continued French resentment and uncertainty with regard to British independent action and, of more importance, the difficulty of the settlement of the Abyssinian question.[89] According to press reports which appear authentic, there does seem to be some discussion going on at the moment for the conclusion of an air Locarno. I do not, however, feel that this will be seriously undertaken until the Abyssinian situation is more definitely solved. At the present time I can only say regretfully that barring an unexpectedly early clearing of the European skies, it scarcely seems likely that we can look for much progress

[89] For correspondence concerning the Ethiopian-Italian conflict, see pp. 594 ff.

toward a serious discussion of Lord Stanhope's suggestions until some time has passed.

Regarding the policy to be pursued in their regard, I feel also that we are not in a position to come to any definite conclusion at the moment. It may, however, be useful for me to set down briefly certain ideas in this regard. First of all, I feel that generally speaking there are a number of negative aspects from our own point of view which should be taken into account in considering Lord Stanhope's suggestion, testing them, as it were, with the question: is it worth while for us to enter into such an agreement? At the beginning we are confronted with the situation that any agreement such as that Lord Stanhope outlined would of necessity engender discussion which would involve European political questions of the highest importance and delicacy with which we are not directly concerned. Any agreement of the nature indicated must involve consideration by the European Powers of past agreements, special interests, relationships and probabilities for the future, none of which interest us closely and of much of which we are probably not aware.

Furthermore, questions of regulating military aviation must have largely to do with civil aviation. This has always been brought out in discussions on this subject in the past. Of the many wide divergencies of conditions and differences of viewpoint as between Europe and America which geographical factors alone imply, this subject is perhaps the best example. To put it tersely, civil aviation to the European means potentiality for military action—the bombing from the air of civilian populations, etc. To the American, civil aviation is strictly what the phrase signifies—the transport of passengers and freight over the long continental distances existing in the United States and for the quick access of one part of the country to the other for commercial and personal advantage. Now the manner in which civil aviation is to be treated must be fundamentally dependent upon the interpretation of the phrase. The European is willing and, even in the case of the British, I have found increasingly desirous of adopting stringent measures of control with regard to civil aviation which the peculiar situation over here, psychological and otherwise, warrants. This is not the case with us, and so far as we can see, will not be in the measurable future. We therefore do not meet the Europeans on common ground on this important if not decisive aspect of the problem and we would only be a stumbling block to this important aspect of their agreement on limitation and regulation of aviation. What to the European would mean security and relief from fear in a strict control of civil aviation and so worth a big price, would to an American mean only a severe dislocation of a most important and growing part of our industrial development and its stultification in

the future not to mention the "nuisance" feature and trade secrets aspect of the matter.

Also, in considering whether such an agreement as Lord Stanhope sketched is worth while, as far as we are concerned, I think we should bear in mind that while the American people would probably be willing to accept inspection on the spot for what they considered a far-reaching step for the maintenance of peace, I have some doubt in my mind as to whether they would be equally willing to accept a treaty which provided for only a declaration on the value of production of cannons and tanks, while it provided not only for declarations by numbers on aviation but also inspection on the spot of the production of both military and civilian aviation. In such a treaty as Lord Stanhope envisages the inspection on the spot would be certainly perfunctory, as far as naval units were concerned, and would bear predominantly and almost exclusively on the checking up of production of civilian aircraft.

On the other hand, there are positive advantages in the scheme which Lord Stanhope suggests. Any contract which the States of Europe could sign among themselves would be an augury of peace among them and, in so far, a distinct advantage to us. I believe that the signature of any general agreement of no matter how limited a scope would be considered a turning point from the political chaos now existing. Further, the scheme is ingenuous in that it would put the burden upon the French to make agreements, as to land armaments, with Germany. The French General Staff is profoundly desirous of the right of inspection in Germany, even though such inspection is reciprocal. Under such scheme, to obtain such right in respect to land armaments, the French would have to realize limitation accords with Germany in this field.

From this despatch you will appreciate that I am not yet ready myself to give general advice on our attitude respecting Stanhope's scheme, and if I may venture so to suggest, I think it would be advisable that the Department as well withhold judgment until more light has been shed on future developments in Europe. If such procedure meets with your approval, I shall tell the British when I next see them, presumably here in September, that my Government prefers to withhold judgment until the scheme enters more directly into the realms of the possible; that it is now too hypothetical, contingent as it is upon an air agreement, for us to take position thereon. Nevertheless, I should appreciate any views which this despatch may suggest as it might be useful for us even in the hypothetical stage of the question, to exchange views in this regard.

Respectfully yours, HUGH R. WILSON

500.A15A4 Steering Committee/506

The American Delegate (Wilson) to the Secretary of State

No. 121 GENEVA, August 1, 1935.
[Received August 12.]

SIR: Referring to my telegram No. 1045 of June 19, 2 p. m., with regard to a meeting of the Bureau of the Disarmament Conference in September, I had a conversation on this subject yesterday with Mr. Aghnides, Director of the Disarmament Section of the League of Nations. Mr. Aghnides had just returned from a trip to London where he had discussed this question with Mr. Henderson, President of the Conference. The latter, it appears, is even more determined than ever that the Bureau shall meet in September. To this end Mr. Henderson has discussed with Mr. Aghnides the question of issuing shortly a notice of probable convocation during the meeting of the Assembly, on or about September 13th, formal notice of convocation to be issued shortly after the "warning" notice. The preliminary circular would indicate that in the President's opinion the Bureau should meet in September in view of all that has taken place since the last Bureau meeting and for the purpose of reviewing the situation and determining upon the future course of the Conference. Mr. Aghnides feels that there is every probability that the meeting of the Bureau will take place at the time indicated since he discussed the question with the French and the British informally during his recent trip and found that they were in accord with Mr. Henderson's desires.

Respectfully yours, HUGH R. WILSON

500.A15A4 General Committee (Arms)/358

The Acting Secretary of State to the American Delegate (Wilson)

[WASHINGTON,] August 2, 1935.

SIR: I refer to your despatch No. 119 of July 16, 1935, with further reference to your recent conversation with Lord Stanhope in regard to the Draft Articles for the Regulation of the Trade in and Private and State Manufacture of Arms and Implements of War.

In reply, I have to inform you that the procedure suggested in your final paragraph meets with my approval. It is suggested that you express no definite opinion of Lord Stanhope's proposal until such time as the hypothetical conditions on which it is predicated may have become actualities. Should the situation become such that in your judgment an expression of our opinion would be advisable, it is suggested that you request further instructions.

For the time being our position remains unchanged. We feel very strongly that it would be unwise for this Government to entertain any suggestions for compromise on the essential points which Lord Stanhope has raised, until there is definite reason to believe that concessions on our part would result in a general acceptance of the Convention in the immediate future.

Very truly yours, WILLIAM PHILLIPS

III. CLOSING OF THE GENEVA OFFICE OF THE AMERICAN DELEGATION

500.A15A4 Steering Committee/484 : Telegram

The American Delegate (Wilson) to the Secretary of State

GENEVA, September 2, 1935—6 p. m.
[Received September 2—3:15 p. m.]

1054. My 1049, August 3, 8 p. m.[90] and previous correspondence. Aghnides informs me that Henderson has decided to postpone the meeting of the Bureau which was to have been held during the Assembly. Aghnides expects a statement will shortly be issued to this effect.

Aghnides states Henderson's health will not permit him to undergo the fatigue of travel and conference work at this time; that Henderson's physical condition has been growing gradually worse and he has recently had another set-back; that when his health will permit a convening of the Bureau is undeterminable.

Referring to my personal letter to the Under Secretary of May 21st,[91] it would seem to me desirable if the Department intends shortly to close the delegation office that advantage be taken of the situation reported in this telegram and that I let the fact be known now. I could merely inform our newspaper men here that for reasons of economy and because of the present inactivity of the Conference we intend shortly to discontinue the delegation office but that of course I shall be available as a delegate to the Conference when activity is resumed.

I do not anticipate that this will cause any particular comment especially at such a time as the present when all minds are occupied with Abyssinia. On the other hand, I am somewhat fearful that if we delay in announcing the closing of the office until after the Council and Assembly the international situation then may have become so tense and the position of the League so critical that even such a relatively minor action as the announcement of the closing of our

[90] Not printed.
[91] Not found in Department files.

delegation office might be commented upon and assume undue importance.

Please repeat to Davis.

WILSON

500.A15A4 Personnel/1464 : Telegram

The Secretary of State to the American Delegate (Wilson)

[Extract]

WASHINGTON, September 3, 1935—7 p. m.

500. Your 1054, September 2, 6 p. m. You are instructed to release quarters now occupied by Disarmament Delegation about first of October or upon termination of next Bureau meeting, unless in your judgment the situation subsequent to that date would require you to maintain the office for a brief period longer. Quarters will be obtained in building occupied by Consulate.[92]

.

HULL

[92] In telegram No. 1062, October 30, 1935, noon, the American delegate reported the change of office had been effected (500.A15A4 Personnel/1488).

LONDON NAVAL CONFERENCE, 1935 [1]

500.A15A5/365

Memorandum of Meeting in the Office of the Secretary of State With Returned Members of the American Naval Delegation [2]

[WASHINGTON,] January 8, 1935.

Present:

The Secretary	Admiral Standley
Mr. Phillips [3]	Commander Schuirman
Mr. Moffat [4]	Commander Duncan
Mr. Hornbeck [5]	Mr. Dooman
Mr. Davis	Mr. Field

Mr. Davis gave a summary and analysis of the developments during the conversations in London, particularly during the last fortnight before the Delegation sailed. He described in some detail the latest suggestion of the British, namely, that each country state its building program over a period of six years, such programs, while in themselves constituting no contractual obligations, to be annexed to a treaty containing a provision that the programs can be modified only upon twelve months notice and following consultation.[6] Mr. Davis expressed the view that this suggestion offered constructive possibilities in that it would, if generally agreed to, make it possible to preserve present ratios in fact while still giving the Japanese the

[1] Held from December 9, 1935, to March 26, 1936. For previous correspondence on preliminary naval conversations, see *Foreign Relations*, 1934, vol. I, pp. 217 ff. See also *Foreign Relations*, Japan, 1931–1941, pp. 277 ff.; Department of State Conference Series No. 24: *The London Naval Conference 1935, Report of the Delegates of the United States of America, Text of the London Naval Treaty of 1936 and Other Documents* (Washington, Government Printing Office, 1936); and *Documents of the London Naval Conference 1935* (London, His Majesty's Stationery Office, 1936).

[2] Members of the American naval delegation who attended the preliminary naval conversations, London, second phase, October 17–December 19, 1934, were: Norman H. Davis, head of the delegation; Adm. William H. Standley, adviser, Navy Department; Comdr. Roscoe Schuirman and Lt. Comdr. J. H. Duncan, assistants, Navy Department; Eugene H. Dooman, First Secretary of Embassy (London), adviser, Department of State; and Noel H. Field, assistant, Department of State.

[3] William Phillips, Under Secretary of State.

[4] J. Pierrepont Moffat, Chief of the Division of Western European Affairs.

[5] Stanley K. Hornbeck, Chief of the Division of Far Eastern Affairs.

[6] See telegram No. 68, December 11, 2 p. m., and telegram No. 70, December 12, 10 p. m., from the Chairman of the American delegation, *Foreign Relations*, 1934, vol. I, pp. 393 and 395.

satisfaction of an appearance of having rid themselves of a contractual obligation in this respect. On a question by the Secretary, Mr. Davis added that the Japanese had neither definitely accepted nor rejected the last British suggestion. Admiral Yamamoto,[7] the day before the Delegation sailed, had spoken to Admiral Standley after a luncheon and told him that the Japanese Government had decided that Japan must continue to insist on her original demands, but in discussing with Admiral Standley the actual programs exchanged between the British and Japanese Delegations, Admiral Yamamoto showed himself as considerably more conciliatory. Mr. Davis considered that Yamamoto had been deeply impressed by the impact of meeting face to face with the two greatest Naval Powers and that he would return to Tokyo either to convert his Government to a more reasonable stand or to lose his head.

Mr. Davis added that the authority given to Yamamoto to return to Tokyo must be considered as a very favorable development. Matsudaira [8] very confidentially had intimated his belief that within a not distant future the tide of militarism in Japan would begin to recede so that a delay of at least six months in further naval discussions might permit the resumption in an improved atmosphere. Mr. Hornbeck at this point stated that, in his opinion, too much reliance should not be placed on statements of this sort as to an impending change since predictions of this nature had been made already by Debuchi [9] to Mr. Stimson and had been repeated on subsequent occasions. He also emphasized that it was a mistake to consider that Japan was at present ruled by a small military clique who did not have the support of the people as a whole. Mr. Dooman, while agreeing that the militarist trend in Japan at present was based on popular support, pointed out that nevertheless there had been two occasions in recent Japanese history when public opinion had brought about and supported a more pacific and cooperative policy and he felt that a return to such a policy as a result of a change in public opinion might well take place at some future date, although it might be a long process.

The discussion then turned to the evolution of British policy in the course of the conversations and it was brought out that the only group which had a clear program at the beginning was the section, both inside and outside the Government, which favored a closer understanding between Great Britain and Japan. The larger section favoring Anglo-American cooperation had not thought out the

[7] Vice Admiral Isoruku Yamamoto, technical adviser to the Japanese delegation at the preliminary naval conversations, London, 1934.

[8] Tsuneo Matsudaira, Japanese Ambassador in the United Kingdom and Imperial representative at the preliminary naval conversations.

[9] Katsuji Debuchi, Japanese Ambassador in the United States, October 24, 1928–February 13, 1934.

naval problem to any logical conclusion and was inclined to regard it as a purely technical question. One of the principal benefits of the conversations, Mr. Davis thought, had been the clarification and crystallization of the views of this group and particularly its realization that the problem was primarily political and involved the whole issue of peace and stability in the Far East. As a result the group favoring going along with the United States had been tremendously strengthened and Mr. Davis was satisfied that it would, in the long run, control British policy, although the small but powerful pro-Japanese group would still have to be reckoned with. One thing which had favorably affected British policy was the oil dispute which had led the British to appreciate that Japan was faced with the alternatives of acquiring the oil she needed as a great Power either in cooperation with the other Powers or through conquest. Mr. Hornbeck here made reference to the fact that Japan was completely at the mercy of the British Empire and the United States for the three raw materials most essential in carrying on war, namely, iron, cotton and oil.

In considering the best policy for the United States to follow during the coming months, agreement was expressed with Mr. Davis' suggestion that the policy of building our Navy up to full strength should be continued without, however, publicly tying this building up with the failure of the Naval Conversations or with Japanese denunciation. It could easily be explained, on the contrary, that the United States was merely keeping up its Fleet strength and that it had no intention of initiating a naval race and hoped that no other Power would start one.

In conclusion, the propaganda activities engaged in by the Japanese Embassy here were touched upon and Mr. Dooman summarized the conversations he had had on the subject with Yoshida.[10]

862.20/742 : Telegram

The Chargé in the United Kingdom (Atherton) to the Secretary of State

LONDON, March 19, 1935—7 p. m.
[Received March 19—3 : 45 p. m.]

121.

.

I am informed by the Foreign Office that when Hitler saw Ambassador Phipps[11] on Saturday he stated in very general terms that Germany insisted upon equality with France on land, in the air and

[10] Shigeru Yoshida, Chief Secretary of the Japanese Cabinet and "roving Ambassador".
[11] Sir Eric Phipps, British Ambassador in Germany.

on the sea but that of England, Germany only sought 33 [*35*] percent of England's effective naval strength. Foreign Office understands no reference was made to naval strengths in conversations with French and therefore asks the above be regarded as strictly confidential. Simon [12] will raise this naval question on his Berlin visit and point out the futility of ratios and that international naval discussions should be based on programs. If Simon seems to get anywhere with this line of approach to Hitler he will carry further the idea of naval discussions with Germany in London, presumably to begin shortly after Easter.[13] (See paragraph No. 2 of my 84, March 1, 4 p. m.) [14] Craigie [15] understands Tokyo hopes for a naval conference as early as June and Matsudaira had recently asked as to when the Foreign Office proposed opening further discussions. Great Britain pointed out no further steps were possible until the result of Yamamoto's conversations on his return to Japan were known since the Foreign Office had gone so [*as*] far as it could without knowing how far Tokyo was prepared to meet British proposals of last autumn.[16]

Foreign Office considers this last German declaration may temporarily stiffen Japanese attitude.

ATHERTON

500.A15A5/395a : Telegram

The Secretary of State to the Ambassador in Japan (Grew)

WASHINGTON, March 26, 1935—7 p. m.

49. 1. The Embassy at London reports for our strictly confidential information that:

[Here follows the text of the last two paragraphs of the Embassy's telegram No. 121, March 19, 7 p. m., *supra.*]

2. The Department has received a report from a reliable source that during the week following the promulgation by Germany of the new conscription law the Japanese Ambassador in Berlin had conversed three times with high officials of the more aggressive element in the German Cabinet, and that Germany is being pressed by Japan to ask for restoration of naval strength.

3. All of the foregoing is for your strictly confidential information and for any comment you may be in a position to offer. Please make no inquiry in any quarter.

HULL

[12] Sir John Simon, British Secretary of State for Foreign Affairs.

[13] For correspondence concerning the Anglo-German Naval Agreement, June 18, 1935, see pp. 162 ff.

[14] Vol. III, p. 544.

[15] Robert Leslie Craigie, British Assistant Under Secretary of State for Foreign Affairs.

[16] See telegram No. 26, November 9, 1934, 6 p. m., from the Chairman of the American delegation, *Foreign Relations*, 1934, vol. I, p. 326.

500.A15A5/396 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

TOKYO, March 27, 1935—6 p. m.
[Received March 27—9 : 50 a. m.]

64. 1. Before the receipt of the Department's telegram 49, March 26, 7 p. m., and without inquiry on my part, my British colleague[17] told me that in a recent conversation he had informally expressed to the Minister for Foreign Affairs[18] his personal opinion that it would be disastrous to hold a naval conference unless the Japanese were prepared to offer some new proposition tending to meet the British proposals of last autumn. Hirota emphatically replied that the conference must take place this year and seemed surprised at Clive's personal suggestion that it might be better to postpone it indefinitely.

2. The British Naval Attaché, however, has reported to Clive that the Japanese naval officers with whom he is in touch are absolutely intransigent in their stand for parity. Our Naval Attaché shares this view but has no concrete information because Japanese naval officers have shown reluctance to discuss the subject.

3. We have no indication of any change of attitude here and no indications concerning the German angle. Hirota's remark to Clive may mean that the Japanese will insist upon the holding of a conference but I am inclined to think that Hirota was probably expressing his own views rather than those of the Navy.

4. I may add for what it is worth that in the course of a round of farewell dinners for our departing Assistant Naval Attaché, Lieutenant Smith-Hutton, the younger Japanese naval officers have freely spoken of eventual war with the United States as a foregone conclusion on the ground that Japan has certain definite policies in China which the United States will oppose and that the result will be an inevitable conflict. One of the officers who so expressed himself is aide to Admiral Kanji Kato. Repeated to Peiping by mail.

GREW

500.A15A5/419

The Ambassador in Japan (Grew) to the Secretary of State

No. 1333

TOKYO, May 31, 1935.
[Received June 15.]

SIR: I have the honor to suggest that the Department will have observed that there exists here at present a period of comparative tranquility in the field of Japanese naval affairs and their discussion,

[17] Sir Robert Henry Clive, British Ambassador in Japan.
[18] Koki Hirota.

a period which was ushered in upon the return last winter of Vice Admiral Yamamoto from London. With the exception of occasional flurries in the press such as the comment directed against the United States Navy in connection with the recent naval maneuvers in the Pacific, and statements made from time to time by individuals who wish to keep the thought of the "Crisis Year" before the public, there has been a tendency to avoid the bluster and emphasis upon Japan's naval needs which marked the periods preceding and during the preliminary naval conversations held at London last year. This new trend has formed the subject of a recent despatch* and is of the greatest importance as it applies to Japanese policy as a whole; the purpose of this despatch, however, is to examine the extent to which it may apply to the specific question of Japan's naval policy and her attitude toward the Naval Disarmament Conference which should be held this year in accordance with the terms of the London Treaty of 1930.[19]

The Department will recall from despatches on the subject last year the considerable difference which existed at that time between the Minister for Foreign Affairs and the Navy Department on the question of the then proposed abrogation of the Washington Treaty;[20] Mr. Hirota had his way and notice of the proposed abrogation was postponed until December and after it had been determined that no agreement could be reached at London, despite the fact that the Naval authorities had been pressing for abrogation even before the preliminary conversations had begun. The significance of this lies in the fact that the difference which existed between the civilian and the military authorities was one of method or tactics rather than one of objectives. Mr. Hirota, no less than Admiral Osumi,[21] stood firm for abrogating the Washington Treaty but he stood for that group which is today being given an opportunity of trying to reach the Government's ends by more conciliatory and tactically wise, although none the less firm, methods than those employed during recent years by the military leaders. There is no doubt, then, that the new policy of maintaining a less vocally aggressive attitude concerning Japan's demands for naval parity is sponsored by the civilian authorities in an attempt to avoid the atmosphere of irritation which constant reiteration was rapidly building up. It does not mean, however, that the Government's position with regard to naval parity is altered in

* Embassy's despatch No. 1279, May 3, 1935. [Footnote in the original; for despatch No. 1279, see vol. III, p. 148.]

[19] *Foreign Relations*, 1930, vol. I, p. 107.

[20] Treaty for the Limitation of Naval Armament, signed at Washington, February 6, 1922, *ibid.*, 1922, vol. I, p. 247. For correspondence relating to denunciation of the treaty by Japan, see *ibid.*, 1934, vol. I, pp. 405 ff.

[21] Japanese Minister of Marine.

the slightest degree, nor is there any indication that it will be. The reasons underlying this position are as strong, if not stronger than ever.

The Japanese demands for the abolition of the ratio system are based upon two fundamental things: first the necessity of having a navy of sufficient strength to instrument [*implement?*] her policy of exercising uncontested dominance over "East Asia", and second the passionate desire for equality in rank with the first class powers of the world. The analogy with the state of mind prevailing in Germany immediately suggests itself, and I think it not an exaggeration to say that the determination of Japan to rid herself of the restricting bonds of the Washington Treaties [22] (albeit she signed them voluntarily) is as great as the determination of Germany to rid herself of the similar restrictions imposed by the terms of the Versailles Treaty.[23] This means that if the Disarmament Conference takes place this year, or even next, one must envisage the possibility that Japan is prepared to blast the Conference, to defy world public opinion and take unilateral action to attain her ends, whatever may be the consequences. Such is the temper of the world today. And in the case of Japan it is perhaps not to be wondered at; for she has successfully defied world opinion at Shanghai and in Manchuria and has left the League of Nations without dire consequence, and now she is further encouraged by the spectacle of Germany unilaterally abrogating the military clauses of the Treaty of Versailles and vastly improving her international position by so doing. And for that matter, who shall say that Germany herself did not take courage from Japan's previous actions in casting off the restraint of treaties and agreements such as those referred to?

With these considerations in mind, together with the realization that Europe is rapidly become [*becoming?*] a vast armed camp even though its avowed purpose may be for keeping the peace, it appears scarcely possible at present that the attitude of the Japanese Government, whether directed by the civilian or the military authorities, will undergo any appreciable change by the time the Naval Disarmament Conference of 1935 takes place, if it does.

Respectfully yours, JOSEPH C. GREW

[22] See *Foreign Relations*, 1922, vol. I, pp. 1 ff.

[23] Signed June 28, 1919, *Treaties, Conventions, etc., Between the United States of America and Other Powers*, 1910–1923 (Washington, Government Printing Office, 1923), vol. III, p. 3329.

500.A15A5/426 : Telegram

The Ambassador in the Soviet Union (Bullitt) to the Secretary of State

MOSCOW, June 22, 1935—8 p. m.
[Received June 22—5 : 16 p. m.]

250. The British Ambassador who has just returned from London told me today that he had informed Litvinov [24] officially yesterday that the British Government intended to call a general naval conference and that an invitation to the Soviet Government to participate in such a conference positively would be extended.

The British Ambassador stated that he had had many conversations with Vansittart [25] and members of the British Cabinet with regard to the situation in the Far East and that he was certain that Great Britain would not intervene in any way to prevent the Japanese from extending their control over the whole of North China.

I asked him if British interests in North China were to be sacrificed completely, and he replied, "Nothing will stop Japan except war and we have no more intention of going to war with Japan than you have".

BULLITT

500.A15A5/429 : Telegram

The Acting Secretary of State to the Ambassador in the United Kingdom (Bingham)

WASHINGTON, June 24, 1935—6 p. m.

149. One of our missions in Europe has reported in strict confidence that it has learned the British Government intends to call a "general naval conference", including, among others, the Soviet Government, and that the latter has been officially informed to this effect. Please cable us any confirmatory information you may have been able discreetly to obtain.

PHILLIPS

862.34/142 : Telegram

The Ambassador in the United Kingdom (Bingham) to the Secretary of State

LONDON, June 26, 1935—2 p. m.
[Received June 26—11 : 35 a. m.]

288. Your 149, June 24, 6 p. m., and last sentence my 200, May 3, 4 p. m.[26] "The present concept" of the British Government is to hold

[24] Maxim M. Litvinov, Soviet Commissar for Foreign Affairs.
[25] Sir Robert Gilbert Vansittart, British Permanent Under Secretary of State for Foreign Affairs.
[26] Latter not printed.

a naval conference this year with emphasis placed on qualitative limitation and programs rather than ratios.

In the French note recently handed to the British commenting on the Anglo-German conversations (see my 259, June 7, 4 p. m.[27]) the French Government "turned sulky" and playing for time stated *inter alia* that the Anglo-German agreement might cause considerable modifications in the French naval program. Over the week end the British Government replied to this note and stated that as the result of the most recent Anglo-German conversations the Germans had given at considerable length the details of their future building program; that this information by express condition of the Germans could only be communicated by the British to other powers on condition of receiving reciprocal information on the future building programs of those powers. The British note then proposed early Anglo-French conversations, and expressed the British hope for a naval conference later this year as foreseen by the Washington and London naval treaties.

On June 17th the British informed the Soviets in the sense of the Embassy's telegram 259 and explained that the British were embarking on a series of bilateral conversations, and expressed the hope for early Anglo-Soviet discussions to the end that if possible these various naval discussion in London might form the basis of a naval conference.

The Prime Minister stated in the House of Commons last evening that it was proposed to invite representatives of the French, Italian, and Soviet Governments to visit London to take part in discussions relating to naval armaments.

It is conceivable that it may be better policy at the end of these preliminary conversations to hold a European naval conference and obtain a general European agreement before attempting a meeting of the five-power conference. In other words, the British have not decided yet whether it may not be better to hold two conferences, and still have this under consideration, thereby they believe first to reach a European agreement before calling a five-power conference (such a course incidentally would avoid a Soviet-Japanese issue).

In the course of discussion today it was pointed out that the United States had never formally transmitted its naval building program, but the British were prepared to submit the German building program to representatives of the United States Government whenever the United States Government might be prepared, in compliance with the Anglo-German agreement, to furnish this reciprocal information.

I venture in conclusion to point out that there is increasing evidence of the suspicions with which the British Government view

[27] *Post*, p. 163.

Soviet diplomacy at the present time as of doubtful sincerity in an endeavor for European peace.

I am having further conversations on naval matters tomorrow and will telegraph again if any further information is available. The First Lord of the Admiralty stated in Parliament last night that in the recent Anglo-German discussions "Germany is prepared to adhere to the rules regarding submarine warfare as set out in part IV of the London Naval Treaty and to accept them for herself irrespective of whether they are adhered to by all other powers."

BINGHAM

500.A15A5/431 : Telegram

The Secretary of State to the Ambassador in the United Kingdom (Bingham)

WASHINGTON, June 27, 1935—6 p. m.

155. Your 288, June 26. It would seem from your telegram that the British are now considering a very different procedure from that which was discussed and contemplated last fall. At that time the idea was, as we understood it, that England, Japan and the United States would endeavor in preliminary conversations to reach a basis for future agreement, that France and Italy would be apprized of this and, if possible, brought into line, preparatory to a Five-Power naval conference, which might even be set up as a preliminary conference with a view of holding a subsequent conference to include Russia and Germany after the five Powers had reached an agreement. If the British contemplate reversing this process, we feel that we should know further how they envisage the interweaving of a European agreement with a five-Power agreement. We do not wish to go on record at this time as opposing this idea, but feel that we should point out that we are not disinterested in naval agreements affecting the Atlantic. While a naval agreement between the continental Powers is of more immediate concern to the British, and while we sympathize with their desire to bring about an understanding between them and thus to help bring about a general naval agreement, we are inclined to feel that the calling of a purely European naval conference or the inclusion in any conference called under the provisions of the Washington or London naval treaties of one or more non-contracting states would normally call for prior discussion and understanding with the parties to the present naval treaties.

We are surprised at the statement or intimation made to you that the American naval building program had never been formally transmitted by the United States and that whenever the United States

might be ready to furnish this reciprocal information "in compliance with the Anglo-German agreement", the British would be prepared to submit the German building program to American representatives. My understanding is that Davis and Standley told the British last autumn that our present building program was to build up to treaty strength, adding that our future programs would be relative and dependent upon developments. The British told us, as you know, that they would like to increase their cruiser tonnage beyond the present treaty limits, but further discussion between the two Governments with regard to this was left in abeyance because of the Japanese proposals for a radical change in the whole basis of present naval limitation. Davis and Standley were under the impression, however, that as a result of the frank exchange of views between our two respective navies each one understood perfectly well the position of the other and that until it was determined whether or not some basis for agreement could be arrived at with Japan we could not usefully formulate our respective future building programs. We are also at a loss to understand the spirit and purport of the British intimation that whenever the United States may be ready to furnish reciprocal information the British will be prepared to inform us of the German building program. It is hard to understand that the British-German agreement should contain such a provision, in view of the repeated assurances given us by the British that they would keep us fully and frankly informed.

For your personal information only, the Embassy in Paris reports [28] that it learned from a reliable Foreign Office source that when Eden suggested that the French discuss with the British the Anglo-German naval agreement and, if necessary, send experts to London for this purpose or else receive British experts in Paris he met with a curt refusal.

HULL

500.A15A5/435 : Telegram

The Chargé in Italy (Kirk) to the Secretary of State

ROME, July 4, 1935—11 a. m.
[Received July 4—10 : 05 a. m.]

337. Newspapers last night published announcement that the Grand Council of Admirals, the highest consultive board of the Navy, had been convoked in special session by Mussolini as Minister of Marine in order to examine important naval and maritime matters and had already commenced the sessions.

[28] Telegram No. 524, June 22, 1 p.m., from the Ambassador in France, not printed.

862.34/172 : Telegram

The Secretary of State to the Ambassador in the United Kingdom (Bingham)

WASHINGTON, July 8, 1935—4 p. m.

169. Your 304, July 8, 5 p. m. A telegram dated July 5 from our Embassy at Berlin [31] requested that we inform the Navy Department that the Assistant Naval Attaché was mailing the German construction program "communicated, in strict confidence to Washington Treaty Powers". The telegram then lists the numbers, tonnage and gun calibre of vessels under construction or to be laid down in 1935. This is the only information we have received on the subject from Germany or any other country.

HULL

500.A15A5/438 : Telegram

The Ambassador in the United Kingdom (Bingham) to the Secretary of State

LONDON, July 9, 1935—6 p. m.
[Received July 9—2:40 p. m.]

309. Your 125 [*155*], June 27, 6 p. m.; and 156, June 28, 3 p. m.[32] I saw the Foreign Secretary this morning and briefly outlined our understanding, reached in December 1934, at the end of the tripartite naval conversations, that the British and American Governments would keep each other closely informed on naval plans, programs and purposes. I asked him if he had any information he might give me now with reference to suggested bilateral conversations between the British Government on the one hand, and the French, Italian and Soviet Governments on the other hand, as announced by Mr. Baldwin on June 25th. He replied that he was not fully informed on the details but that he would look carefully into the matter within the next few days and would then like to have a further conversation with me.

I reminded him that the British had been advised during the conversations at the end of last year that the naval program of the United States as [*was?*] based on building up to treaty strength and that our future programs would be relative and dependent upon developments. I also reiterated our understanding that both the British and the American Governments would keep each other continuously and fully informed as to programs and especially as to any change contemplated by either Government. Sir Samuel Hoare replied that this was likewise his understanding but that until he could

[31] Telegram No. 132, not printed.
[32] Latter not printed.

fully study the matter and inform himself as to the steps contemplated in the immediate future he would prefer to postpone discussing these points until he had acquired this information. He again repeated that he would communicate with me in a few days for further discussion of the subject.

In view of the information confirmed by the Department's 169, July 8, 4 p. m., that Germany has communicated her naval construction program to the United States, I did not attempt to go into that phase of this subject with the Foreign Secretary, feeling that should it then be expedient to raise the question, it might be more profitably done at my next conversation when Sir Samuel will be in possession of fuller details and information on British naval plans.

Referring to Japan, the Foreign Minister said that it was his policy as far as possible to strengthen the liberal elements in Japan, if there was any such element left; but that he thought there was grave danger of further early action by Japan which would flagrantly violate the Kellogg–Briand Pact [33] and because he thought this was probable, he felt that our two Governments should try in advance to clarify in their minds what action if any could be taken in the face of the situation which would then arise.

Code text to Paris.

BINGHAM

862.34/186 : Telegram

The Ambassador in Germany (Dodd) to the Secretary of State

BERLIN, July 12, 1935—5 p. m.
[Received July 12—2 : 20 p. m.]

135. My 132, July 5, 2 p. m.; and 134, July 8, 5 p. m.[34] Pertinent portions for Navy Department.

Press in publishing German building program claims present fleet 127,000 out of about 420,000 tons permissible under basis for this agreement.[35] Marine Department informed Assistant Naval Attaché of its intention to build up to 35 percent ratio as quickly as consistent with good designing; no more pocket battleships as these too small, together with other defects; 6,500 to 10,000 cruiser increases specially based on tonnage United States large cruisers; no destroyers actually in commission, first launched should be ready between New Year and March 1st; 20 small submarines purely for training, future construc-

[33] Treaty for the Renunciation of War, signed at Paris, August 27, 1928, *Foreign Relations*, 1928, vol. I, p. 153.
[34] Neither printed.
[35] For correspondence relating to the Anglo-German Naval Agreement, June 18, 1935, see pp. 162 ff.

tion larger but probably less than 1,000 tons. Von Ribbentrop [36] expressed to me hope that United States may urge France to join naval concert. French Ambassador emphatic his Government will make no tonnage agreement and thinks there will be no naval conference.

Von Ribbentrop consistently avoided openings to discuss Japanese attitude; Marine Department stated that Nippon objects to Germany in naval conference on pretext that this would increase representation of white races as against yellow; French Ambassador believes in Japanese-German entente holding that if Japan attacks Soviets the latter will yield so as to reserve themselves for European conflict.

Von Ribbentrop convinced Mussolini will execute his Abyssinian program, French Ambassador positive that he will not.

The Franco-Soviet alliance [37] was the target of recent Polish-German negotiations according to Von Ribbentrop and adding to this objective that of upsetting French plans in Eastern Europe.

DODD

500.A15A5/438 : Telegram

The Acting Secretary of State to the Ambassador in the United Kingdom (Bingham)

WASHINGTON, July 13, 1935—2 p. m.

182. Your 309, July 9, 6 p. m. We fully concur in your decision, during your recent interview with the Foreign Minister, to defer raising the specific question of communicating the German building program to us in view of his apparent lack of information at the time. You will wish, nevertheless, to bear in mind that the data on German building furnished our Berlin Embassy, as summarized in our 169 of July 8, relate only to the current year, whereas we assume that the "details of the future building program" furnished by Germany "at considerable length" to the British (your 288 [38]) covered a longer period, including, at least, 1936. If this assumption is correct, we hope you will raise this point when you next see the Foreign Minister.

Our principal concern, as set forth in the first paragraph of our 155 of June 27, is with the fundamental question of the interweaving of the proposed European naval negotiations with the Five Power Conference contemplated under the naval treaties. Instead of stressing again the question of the technical fulfillment of last year's understanding for a full exchange of information between our two govern-

[36] Joachim von Ribbentrop, personal ambassador of the German Fuehrer and head of the German delegation at the Anglo-German naval conversations in London.

[37] Mutual assistance pact between France and the Soviet Union, signed May 2, 1935, League of Nations Treaty Series, vol. CLXVII, p. 395.

[38] June 26, 2 p. m., p. 71.

ments, it would therefore seem desirable, in your next interview, to emphasize the interrelationship of the present European discussions with the general naval problem. We do not doubt, moreover, that the British Government shares our conviction that the successful negotiation of a new naval agreement covering all the principal navies calls for the utmost frankness and confidence between the British and American Governments, both in the course of the preliminary stages and during the conference itself. We therefore trust that the British Government will keep us currently informed.

PHILLIPS

500.A15A5/440a : Telegram

The Acting Secretary of State to the Ambassador in Japan (Grew)

WASHINGTON, July 13, 1935—4 p. m.

106. Our Embassy at Berlin was told in strict confidence by the German Ministry of Marine that Japan objects to German participation in the next Naval Conference on the pretext that this would increase the representation of the white races as against the yellow. Have you any confirmatory information?

PHILLIPS

500.A15A5/441 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

TOKYO, July 15, 1935—6 p. m.
[Received July 15—6:52 a. m.]

149. Department's 106, July 3 [*13*], 4 p. m., I have no confirmatory information. From the Embassy's sources of intelligence it would appear that Japanese opposition to German participation may be ascribed to:

(1) The legalistic view held by the Japanese Foreign Office that only participants in the original Washington Conference are entitled to participate in the revision conference.
(2) The complications which would be caused by [intrusion of?] the new German and perhaps Soviet interests into the situation, and
(3) The recent acceptance by Germany in the Anglo-German naval agreement of the ratio principle, to which Japan is opposed.

GREW

500.A15A5/443 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

TOKYO, July 18, 1935—6 p. m.
[Received July 18—9:45 a. m.]

154. In my final talk this morning with the Minister for Foreign Affairs he mentioned on his own initiative the naval situation and

said that unless there was some definite prospect of coming to an agreement and concluding a treaty this year he thought it much better to leave matters in abeyance, and to maintain the present "peaceful" situation. He said he thought the most important thing to avoid was the bringing of pressure by one country on another which could only cause irritation. The Japanese Navy had no plan at present and was content to let things remain as they are for the time being. He thought that a naval conference would have to be held before the end of the year but it could be a purely *pro forma* meeting and could adjourn for a year or two in the hope that in the meantime some satisfactory arrangement could be evolved.

The Minister said that he considered the relations between Japan and the United States as good and steadily improving; that he regarded the maintenance and development of these good relations as more important than Japan's relations with any other country, and that he was steadily directing his efforts along the general lines which he had mentioned to me when he first took office (see Embassy's 144, September 18, 4 p. m.;[39] and 149, October 3, 2 p. m., 1933[40]).

GREW

500.A15A5/445a : Telegram

The Acting Secretary of State to the Ambassador in the United Kingdom (Bingham)

WASHINGTON, July 23, 1935—4 p. m.

193. We would appreciate an analysis with your comment on the announcement made in the House of Commons by the First Lord of the Admiralty with regard to the abandonment of the ratio method of naval limitation.[41]

We are somewhat at a loss to understand the significance of the announcement by Eyres-Monsell, and the purpose in view, as it is our understanding that upon the suspension of the naval conversations last December the British and ourselves were in substantial agreement that, in the negotiation of a new naval treaty to take the place of the Washington Treaty, the objective would be to endeavor through a different method to continue naval limitation without any fundamental change in the relative naval treaty strength. We feel, as expressed in our recent telegrams, that progress toward eventual agreement on important and basic principles of naval limitation would be materially assisted through a closer collaboration and exchange of

[39] *Foreign Relations*, 1933, vol. III, p. 710.
[40] *Foreign Relations*, Japan, 1931–1941, vol. I, p. 123.
[41] For official text of Mr. Eyres-Monsell's speech on July 22, see United Kingdom, *Parliamentary Debates*, House of Commons, 5th series, vol. 304 (1934–35), pp. 1538–1548.

information and views. When the British Government takes a step as important as this, which concerns us as well as them, and with relation to a matter on which we have long been working together, we would naturally appreciate being informed in advance. I trust you have made clear to the British Government our attitude in this respect.

PHILLIPS

500.A15A5/445 : Telegram

The Ambassador in the United Kingdom (Bingham) to the Secretary of State

LONDON, July 25, 1935—9 p. m.
[Received July 25—5:10 p. m.]

333. Your 193, July 23, 4 p. m. The Naval Attaché had an interview by appointment previously made, with my approval, with a high naval official of the Admiralty for the purpose of securing an elucidation of the First Lord of the Admiralty's statement on July 22nd in the House of Commons. The Admiralty official stated definitely that the First Lord of the Admiralty had not intended in his statement to present any change in British naval policy; that is, the statement was intended to be in conformity with the understanding already reached during the Anglo-American naval conversations last December. It was conceded by the Admiralty that the First Lord's statement was open to an ambiguous interpretation, but they reiterated that it was not meant to indicate a new departure on their part in naval policy. The Naval Attaché requested confirmation of our previous understanding with Great Britain that the effort would be made to have announced programs in place of the existing treaty ratios and he received unqualified confirmation of this view from the Admiralty official. The Admiralty admitted that the First Lord's statement was the first clear declaration in Parliament that the ratio principle had been abandoned, but asserted that an understanding to that effect had been arrived at during the Anglo-American naval conversations, and likewise between the British and other interested countries, so that there was no intention on the part of the Government that the First Lord's statement should portray a policy not previously communicated to us. The Naval Attaché touched upon the interest the United States Government feel in maintaining a mutual flow of information, particularly at this time, regarding future German naval building programs, beyond the German program announced for 1935. The Admiralty said the German and British programs and those of other countries for the future were necessarily indefinite at this time, being dependent upon what the programs of others would be. The

Admiralty likewise referred to the necessity for the powers concerting their programs together before attempting to include them in one document, which the British visualize as a part of the proposed next general naval treaty. The Admiralty official referred to the memorandum on this subject which the Secretary of State for Foreign Affairs recently promised me (my 323, July 16, 8 p. m.[42]). The Naval Attaché was given to understand that this memorandum would soon be ready for delivery, and for this reason did not press for further details at today's interview. No intimation was given as to the extent of the information the memorandum would contain. A complete copy of the Naval Attaché's report of this interview to the Navy Department will be forwarded by mail.[43]

I am informed that the Foreign Office has confirmed to press representatives the view expressed by the Admiralty that the statement of July 22nd was not intended as a declaration of any new departure in British naval policy.

In my opinion, the foregoing represents with substantial accuracy the facts of the situation. While the statement of the First Lord unfortunately lent itself to ambiguous interpretation, it appears that what the British envisage is not the abandonment of ratios in fact, but a different procedure to arrive at the same end. In asking for announced programs of naval building they will endeavor, apparently, to keep those programs within the ratio limits set by the existing naval treaties.

BINGHAM

500.A15A5/448 : Telegram

The Ambassador in the United Kingdom (Bingham) to the Secretary of State

LONDON, July 29, 1935—5 p. m.
[Received July 29—4:24 p. m.[44]]

341. My 333, July 25, 9 a. m. [*p. m.*] I called on the Foreign Secretary by appointment this morning on an understanding he was to give me a memorandum on naval affairs. In the course of the conversation I took occasion to stress the desire which had been evidenced by the American Government to cooperate with the British Government, referring in particular to incidents in 1932, again the desire of the United States Government expressed last summer for joint action by the two Governments in a statement outlining their de-

[42] Not printed.
[43] Transmitted by the Ambassador as an enclosure to his despatch No. 1593, July 26, not printed.
[44] Telegram in two sections.

sires for the preservation and renewal of the Washington and London Treaties,[45] and lastly to the final agreement between the British and American naval delegations of December last which contemplated a continuing full interchange of information between the two Governments. I then took occasion to point out that the Anglo-German negotiations had been carried out after that agreement and in violation of the spirit of it in that the British Government had undertaken to withhold information of proposed naval programs therein reported. I then said we were interested in receiving what information the British had as to the proposed German naval program up to 1942 if it was in their possession. The Foreign Secretary stated that in opening negotiations with the German Government, in order to bring about negotiations at all, they had had to agree not to divulge the German program except on the basis of reciprocity with other countries; that the German Government may not have had the United States Government in mind at that time, but certainly they were very anxious in regard to the French and Italian Governments. I then pointed out that our naval program was a matter of public knowledge as the result of Acts of Congress, and therefore in the possession of the German Government as well as the rest of the world, and then inquired of the Foreign Secretary, that being true, whether his Government would be willing to communicate the German program up to 1942 to the United States Government. The Foreign Secretary then said he would again take up the matter and reply later, but that his personal view was, since the British Government was going almost at once into negotiations with the French Government on the naval program, and expected as soon as the negotiations with the French were finished, to proceed with similar discussions with the Italian Government, that their communicating the German program to the United States Government would make it nearly impossible for them to make any progress with either the French or the Italians. He added that he hoped to keep us as fully informed as possible on the negotiations with the French and Italian Governments. In conclusion I again pointed out that since the American program was known to the Germans as well as to the rest of the world as the result of the Vinson Bill,[46] I could see no reason why the reciprocity agreement between his Government and the German Government should prevent the information from being given to us.

The Foreign Secretary then added that after the negotiations with the French and Italians, his Government intended to take up negotiations with the Soviet Government and pointed out that under existing

[45] See telegram No. 336, June 19, 1934, 6 p. m., from the Ambassador in the United Kingdom; and telegram No. 270, June 26, 1934, 9 p. m., to the Ambassador in the United Kingdom, *Foreign Relations*, 1934, vol. I, pp. 262 and 277.

[46] H. R. 6604, approved March 27, 1934; 48 Stat. 503.

treaties it would be necessary to have a conference within the next 6 months of the signatories to the Washington Treaty, and that thereafter the British plan was to have a further conference which would include the German and Soviet Governments.

Craigie, who has been on leave during July, has returned to Foreign Office.

Following is the text of the memorandum which was handed me:

"Since the departure of the United States naval delegation at the end of last year, Mr. Atherton has kept in close touch on the naval question with Mr. Craigie, who has informed him of all important developments as they have occurred. Since the conclusion of the Anglo-German agreement, no step of any importance has been taken. It will be recalled that the information in reference to Germany's building plans was communicated to His Majesty's Government on two conditions:

(*a*) that particulars of the tentative British construction programme would be communicated to the German representatives in exchange;

(*b*) that the German tentative programme should similarly be communicated to the governments of other interested powers on a reciprocal basis only. The French Government has been duly informed of this German stipulation, but have so far not stated whether they would be prepared to communicate their tentative construction programme to His Majesty's Government on the proposed reciprocal basis.

When entering upon naval conversations with the representatives of the German Government, His Majesty's Government were guided by the consideration that the probable naval requirements of France and Italy would be contingent upon the demands of Germany. They now hope to be able to proceed to an exchange of views with the French and Italian Governments at an early date, since time is becoming very short if a conference is to be held this year as prescribed by treaty.

His Majesty's Government, as is well known, are very anxious to reach ultimate agreement on both qualitative and quantitative limitation. They are particularly desirous that agreement on qualitative limitation should be reached as soon as possible in order that competition under this head shall not arise in any of the building programmes which may be initiated immediately on the expiry of the present treaties. Should the French Government feel disinclined for the present to proceed with discussions in the quantitative field, His Majesty's Government propose to invite the French and Italian Governments—and probably also the Government of the Union of Soviet Socialist Republics—to exchange views forthwith on all matters connected with the qualitative limitation of naval armaments. This step would be taken purely as a method of avoiding further delays and not because His Majesty's Government are any less impressed than they have [been?] in the past with the necessity of securing an international agreement on quantitative naval limitation. Moreover, as

the United States Government will appreciate, it is necessary to know the views of both the Union of Soviet Socialist Republics and German Governments on the question of future naval limitation before it is possible for the European signatories of the Washington Treaty to take part in a five-power conference as is prescribed by that treaty.

The United States Government will, as heretofore, be kept fully informed of all developments."

BINGHAM

500.A15A5/460

Memorandum by Mr. Noel H. Field of the Division of Western European Affairs

[WASHINGTON,] August 7, 1935.

Present:

The Honorable Norman H. Davis

Mr. James C. Dunn [47]	Admiral William H. Standley
Mr. Stanley K. Hornbeck	Admiral J. W. Greenslade
Mr. Noel H. Field	Lieut. Arthur D. Ayrault
Mr. Samuel Reber [48]	

The meeting was convened at the request of Mr. Davis with a view to considering next steps in dealing with the problem of naval limitation, particularly in the light of recent reports from our Embassy at London indicating that the British Government was thinking of calling a naval conference some time this fall, probably in October.

Mr. Davis pointed out the importance of our clearing up with the British the principal existing differences between us, before entering a further naval conference. The two main points which will have to be considered in the light of Great Britain's position are (1) the problem of qualitative limitation—shall the *status quo* be continued, or shall there be a change in qualitative limits; (2) increase in British cruiser tonnage—can this be achieved through retention of overage tonnage, and what compensation should the United States ask for?

Admiral Standley agreed that these were the two principal problems and stated that he had already ordered the making of a number of studies in the Navy Department with a view to determining potentialities and that he hoped to have the General Board's approval thereof within the near future. Admiral Standley added that he personally was sympathetic to the British demand for more cruisers and he would be prepared to recommend that we increase our own cruiser tonnage in compensation, although we might also ask for an

[47] Chief of the Division of Western European Affairs.

[48] Second Secretary of Legation in Switzerland, and secretary of the American delegation at the preliminary naval conversations.

increase in aircraft carrier tonnage. Apparently it was Admiral Standley's view that the United States should have the right to match British overage tonnage by the right to increase its underage tonnage. Mr. Davis thought that to increase our aircraft carrier tonnage might cause difficulties and that it would be better to confine the compensatory allowance to the cruiser tonnage. Admiral Standley indicated assent.

Mr. Davis and Admiral Standley agreed that there are no insuperable difficulties to our achieving agreement with Great Britain on the question of qualitative limitation and of increased cruiser tonnage. They also agreed as to the desirability of letting the British Government know as soon as possible that we feel the two Governments should informally thresh out these questions between themselves before a date for a future conference is fixed. Various possible ways of carrying on these interchanges without deleterious publicity were considered and Admiral Standley's suggestion of communicating this Government's detailed views to our Naval Attaché at London with a view to his entering into technical discussions with Captain Danckwerts of the Admiralty, was finally viewed as most likely to meet the ends desired. Admiral Standley said he would expedite the studies now being carried on in the Navy Department and that he might be able to prepare a letter embodying the Navy Department's views within a week or ten days.

Some of the points brought out in the course of the discussion relating to concrete technical possibilities may be summarized briefly as follows:

(1) On the question of capital ships, it was agreed that we would probably experience no great difficulty. None of the Powers concerned has any definite knowledge as to the type of capital ship best suited to its needs and it should therefore be possible to postpone the issue of unit tonnages and gun calibers until the actual construction of a new capital ship as a sample type had demonstrated concrete requirements and possibilities. Nevertheless, Admiral Standley was of the opinion that the United States, if the other Powers insisted, could not well avoid agreeing to the 14 inch gun, and that such a limitation might ultimately be acceptable to us.

(2) On the question of 8 inch gun cruisers, Admiral Standley pointed out that this will not in any case be an urgent question in the near future, since this type is of recent construction and, as long as the total tonnage in this sub-category is not increased, there will in any case be no new construction therein for a number of years.

(3) As regards overage tonnage, Admiral Standley said that, while some of our overage tonnage would not be worth retaining, a considerable proportion of our overage destroyer and submarine tonnage

might well be kept if the requirements for scrapping were abandoned. From an examination of the Navy Department's tables, it appeared that the British, in addition to the four Hawkins type cruisers, would have some 12 overage cruisers by 1942. Japan, on the other hand, would have very little overage tonnage, and the great problem would be to enable Japan to keep her ship yards in operation. Admiral Standley thought it might be possible to arrange for a temporary period, pending a new limitation conference, during which each Power would be permitted to build a certain amount for the primary purpose not of increasing its tonnage but of providing a minimum amount of work for the navy yards.

In Admiral Standley's opinion, one of the principal reasons for Japan's refusal to continue the Naval Treaties is her need for keeping her yards in operation, a need with which Admiral Standley could well sympathize.

500.A15A5/450 : Telegram

The Chargé in the United Kingdom (Atherton) to the Secretary of State

LONDON, August 9, 1935—7 p. m.
[Received August 9—1 : 52 p. m.]

359. In early April the Embassy informed the Department of State that British bilateral discussions on naval subjects with the Germans, French, Italians and Soviets would be undertaken in London, in that order, and at as early a date as possible to arrange.[49] The Prime Minister's official announcement of these proposed conversations was reported in my telegram No. 288, June 26, 2 p. m. It was likewise stated therein that "The present concept of the British Government is to hold a naval conference this year, with emphasis placed on qualitative limitation and programs rather than ratios". This telegram likewise pointed out that subsequent to the Anglo-German naval conversations the French Government had "turned sulky", and as the Department has been informed, in spite of a British invitation, the French have not yet definitely accepted the British invitation for bilateral conversations in London.

To surmount these difficulties, accordingly, and to hasten the preparations for the naval conference which the British desire to hold this year, the British Government prepared a memorandum outlining certain of the specific considerations they wish to raise in the proposed bilateral conversations with both the French and Italians; and since the French refused to come to London, a copy of this memorandum

[49] No report of this kind in April has been found in Department files.

was handed to the French and Italian representatives here on Saturday last. Captain Danckwerts, of the British Admiralty, was despatched to Paris on Monday of this week, not only to answer any questions the French Admiralty might raise in connection with this memorandum, but again to urge the desirability of the French sending representatives for bilateral naval discussions in London at an early date. Captain Danckwerts returned to London on Wednesday evening and stated today he "expects the French will come to London about the middle of September". Anglo-Italian conversations are expected to follow the Anglo-French conversations, and Craigie informed me today that the British Government contemplate the calling of a conference of the five Washington powers in London in October to "deal with qualitative limitation and advance negotiations on quantitative limitation" insofar as possible. (This stipulation he explained is made because of the Japanese.)

When upon my inquiry for information at the Foreign Office today a copy of the memorandum (following) handed to the French and Italian representatives last Saturday was given me. I was informed that Craigie was the only officer qualified to discuss the details thereof, and that Craigie who has resumed his leave of absence would not be back to the Foreign Office until some time in September. I accordingly called him by long distance telephone and shall see him sometime next week. Craigie did, however, inform me that Messrs. Davis and Standley had been informed last autumn of the possibility of the British summoning a conference this year to deal with qualitative limitation and for negotiation on quantitative limitation, and that I might be assured there was no change in British policy, or in the general assurances that were given to the American delegation last autumn, but merely a change in tactics in overcoming the difficulties attendant upon ratios expressed as such.

Craigie particularly referred me to a conversation he had with an Embassy secretary at a casual country luncheon this week, in that the British "were not worried so much at what kind of vessels the United States built and were quite ready to concede their need for large vessels as far as the United States alone was concerned, but that naturally Japan would feel that they should not be outclassed, but what they built in turn affected Great Britain's needs."]

I venture to point out as already reported that on July 29th the Secretary for Foreign Affairs stated the British plan envisaged a further conference which would include the German and Soviet Governments.

Following is text of memorandum referred to above:

"Memorandum: His Majesty's Government in the United Kingdom have been considering carefully the results of the bilateral conversa-

tions, regarding the limitation of naval armaments, that have taken place during 1934 and 1935. These conversations were intended to prepare the way for a preliminary conference in accordance with treaty requirements during the year 1935, as a result of which it is hoped to hold a general conference of all naval powers with a view to reaching agreement on general naval limitations for the future.

(2) The exploratory conversations have been delayed by external events and the process of exploration is taking longer than was originally anticipated. It is now clear, however, that the system of limitation by total tonnages in categories that was pursued in the Washington and London naval treaties will not again meet with general acceptance. The alternative proposal for achieving some form of quantitative naval limitation, viz., the issue by the various naval powers of unilateral declarations in regard to their building programme intentions over a number of years, has not yet been subjected to full and detailed discussion between all the principal naval powers, and considerable time must elapse before it becomes clear whether this system will prove satisfactory.

(3) It is clear that all the principal naval powers will require to undertake the construction of capital ships and cruisers in the year 1937 and later years. The Washington and London naval treaties both come to an end on 31st December 1936. Unless, therefore, agreement can be reached before that date on fresh qualitative limits to replace those which lapse with the treaties, there will be no limitation at all on the sizes and gun calibres of the ships to be built in 1937 and later years. This is a situation which cannot be regarded with equanimity by any of the principal naval powers, and agreement on new qualitative limits is therefore urgently required. Moreover agreement on qualitative limits is of more immediate importance than agreement on quantitative limits, since the former will have immediate effect on the limitation of armaments and financial commitments by its application to all the ships to be laid down after 31st December 1936, whereas the latter, by its nature, becomes effective only over a period of years and may have little effect on the construction programmes to be laid down in the year 1937.

(4) As a result of the conversations held during the past 18 months, His Majesty's Government in the United Kingdom believe that the lowest qualitative limits likely to be acceptable to the European countries so far consulted (United Kingdom, France, Italy and Germany) are as follows: capital ships, 25,000 tons, 12-inch guns; aircraft carriers, 22,000 tons, 6.1-inch guns; category A cruisers, 10,000 tons, 8-inch guns; category B cruisers and light surface vessels, 7,600 tons, 6.1-inch guns; submarines, 2,000 tons, 5.1-inch guns. Note: it is hoped that agreement could be reached that no more category A cruisers should be laid down in the future.

(5) His Majesty's Government in the United Kingdom however cannot accept qualitative limits which, though they might be agreeable to all European powers, are not acceptable also to the United States of America and Japan, and it would be their endeavour to obtain the agreement of the United States of America and Japan to figures as near as possible to those mentioned in the previous paragraph.

(6) Without abandoning in any way their search for some form of quantitative limitation likely to secure general assent, His Majesty's Government feel that it is of far more urgent importance to lay the basis of agreement on *qualitative limitation*. They desire to know, therefore, whether the French/Italian Government agree with this view and whether the list of qualitative limits acceptable to the European powers correctly represents the view of the French/Italian Government.

(7) If a sufficient measure of European agreement on qualitative limitation exists, His Majesty's Government will put forward this European view to the United States of America and Japan with a view to a conference of the Washington Powers in October, 1935, so as to reach an agreement at least on this branch of the subject and so regulate the size of warships to be built after the 31st December 1936. Although this should, in the view of His Majesty's Government, be the principal purpose of the proposed conference, the occasion should also be taken to make further progress with the negotiation of an arrangement for the quantitative limitation of naval armaments on the lines suggested in paragraph (2) above.

(8) In addition, it would be desirable to reach agreement as to the reciprocal notification of information relating to the laying down and characteristics of new ships (Washington Treaty, chapter 2, part 3, section 1 B, and London Naval Treaty, article 10); the definitions of categories and standard tonnage (Washington Treaty, chapter 2, part 4, and London Naval Treaty, articles 3 and 6); the preparation of merchant ships in time of peace for conversion to warlike purposes (Washington Treaty, article 14); the prohibition of the use for war of warships building for other powers (Washington Treaty, article 17); and the prohibition of the transfer of vessels of war from one power to another (Washington Treaty, article 18). Foreign Office, 2nd August 1935. ["]

ATHERTON

500.A15A5/451 : Telegram

The Chargé in the United Kingdom (Atherton) to the Secretary of State

LONDON, August 10, 1935—noon.
[Received August 10—8:15 a. m.]

361. Foreign Office informed me this morning that subsequent to handing me the memorandum contained in my 359, August 9, 7 p. m., a copy was given the Japanese Chargé d'Affaires. The French and Italian Governments will be informed next week that the United States and Japanese Governments have received these copies.

Foreign Office particularly asked that the information contained in my telegram 359, August 9, 7 p.m., and the contents of the memorandum be regarded as strictly confidential as between Governments, saying emphasis on the desire that none of the contents would reach the press.

ATHERTON

500.A15A5/451 : Telegram

The Secretary of State to the Chargé in the United Kingdom (Atherton)

WASHINGTON, August 14, 1935—7 p. m.

211. We have given careful consideration to your 359, August 9, 7 p. m., and your 361, August 10, noon, and desire you to seek an early opportunity to convey to the British Government the following observations:

There are proposals made in the memorandum to the French and Italians with regard to tonnage and gun calibre of future construction which are contrary to the views we have repeatedly set forth. They do not accord with the explanation given by the British of their middle course proposal advanced last year [50] that such proposal was to include first: measures of qualitative limitation which were not to be devised in an effort to change existing types but were rather to prevent competition in new types, and second: programs for future construction which would have as one of their objects the maintenance of present ratios as closely as possible.

It was understood that this middle course proposal would be studied by both the American and Japanese Governments and that the British Government would keep in touch with the two other Governments to determine whether such proposal offered substantial hope of agreement and that it would arrange, in the light thereof, for the calling of a further meeting.

The British Government is now, however, upon its own initiative, and without prior discussion with us, endeavoring to reach "a sufficient measure of European agreement" so that it can put forward "as a European view" proposals which it must have known embodied such a wide divergence from existing treaty types as to make them unacceptable to the United States.

In the circumstances, while we wish to be as cooperative as possible and share the desire of the British to reach agreement on general naval limitation, we feel that little hope of achieving these aims is offered by a conference so long as the positions of the two major participants are still so far apart.

As a preliminary to any such meeting we feel that it is of primary importance that the two Powers possessing the largest fleets should reach more nearly a community of views than now exists. We had expected that during "the process of exploration" and before the British Government had embarked upon a definite program of pro-

[50] For minutes of meeting between the British and American delegations, November 14, 1934, 3 p. m., see *Foreign Relations*, 1934, vol. I, p. 334; see also *Report of the Delegates of the United States*, p. 2.

posals which include major questions of fleet construction they would have made a further attempt to reconcile such differences as are now shown to exist. While, in view of the denunciation of the Washington Treaty which was then impending, no attempt was made to reach agreement on technical questions between the United States and Great Britain during last year's preliminary conversations it was brought out at that time that there would be little difficulty in reconciling the technical views of the two navies. In the circumstances, we have had in mind suggesting through you that we might have some informal exchange of views, without publicity—say between the Naval Attaché in London and officials of the Admiralty—on our respective positions in an attempt to clear up divergencies with respect to future building, qualitative limitation, and disposal of overage tonnage. We are still prepared to undertake such conversations at the earliest date convenient to both Governments.

You should leave at the Foreign Office a memorandum embodying the substance of this telegram and mail a copy for the Department's records.[51]

HULL

500.A15A5/457 : Telegram

The Chargé in the United Kingdom (Atherton) to the Secretary of State

LONDON, August 16, 1935—3 p. m.
[Received August 16—2:50 p. m.]

374. In spite of Foreign Office denials last night that there was no truth to a Reuter telegram from Tokyo alleging Great Britain had approached Japan with a view to a naval conference in October, today's *Times* contains the following statement:

"The British Government have communicated their views and aims in regard to a naval conference to the other signatories of the Washington and London naval treaties—the United States, Japan, France and Italy. The proposal of the British Government is that a conference should be held in London in October in accordance with the intention of the earlier naval treaties.

For this purpose it will be necessary that the preliminary conversations with certain powers—notably France, Italy and Soviet Russia—should be undertaken and concluded as soon as possible.

No further conversations with Germany are necessary in view of the agreement reached in June. While these suggestions have been conveyed to the other Washington Powers, nothing in the shape of an invitation to a conference can be issued until a further exchange of

[51] Memorandum dated August 17 was left at the Foreign Office by the Chargé (500.A15A5/477).

views has proved that the conference could usefully meet at the proposed date.

The Washington and London Treaties both expire at the end of 1936."

In answer to further oral queries from American press correspondents today Foreign Office replies have apparently been somewhat ambiguous, presumably due to the fact that every one particularly concerned with naval negotiations is away on holiday, both from the Foreign Office and the Admiralty. This may be apparent by comparison of today's Associated Press and United Press stories. I am informed the Foreign Office, however, clearly made following points:

(1) It is the British intention that multilateral five-power conversations, in October in London, should follow the bilateral conversations.

(2) In these multilateral five-power conversations the calling of a formal naval conference envisaged under the Naval Treaty will be discussed from the point of view (*a*), whether such a formal conference would be productive, (*b*), if summoned whether it must be confined to the five powers, or at some point it might not be enlarged to include Germany and Soviet Russia.

The Foreign Office was of the opinion that although a formal five-power conference, if summoned, would probably meet in London, the invitations might well be issued by the American Government as inaugurator of the original Washington Conference.

I have asked that my previously postponed interview with Craigie shall be arranged for early next week.

ATHERTON

500.A15A5/457a : Telegram

The Secretary of State to the Chargé in the United Kingdom (Atherton)

WASHINGTON, August 16, 1935—6 p. m.

215. All the important news associations have reports from London that British Government has extended invitations to Washington Treaty powers for informal conference, London, about October. In reply to inquiries at press conference today I have stated no such invitation has been received.

HULL

500.A15A5/458 : Telegram

The Chargé in the United Kingdom (Atherton) to the Secretary of State

LONDON, August 17, 1935—1 p. m.
[Received August 17—9 : 45 a. m.]

377. Craigie called me on the long distance telephone this morning and fixed our appointment for Tuesday next. He expressed regret

that, due to a leak from Tokyo, the Foreign Office had suddenly to make the explanation reported in my 374, August 16, 3 p. m., without having previously informed this Embassy of their intended action. Craigie pointed out this omission was due to the fact that the officers handling matters of naval questions had generally taken August as a holiday prior to the contemplated activities in September and October. He explained the apparent ambiguity in the Foreign Office statement reported in my telegram above mentioned, in that, while from the British point of view the five-power multilateral conversations tentatively proposed for October would be the conference envisaged under the Washington and London naval treaties, it could not be as yet designated as such a conference because of French susceptibilities in that the French had so far been very "inconclusive" in their reply as to whether they would attend a "formal five-power naval conference". Craigie emphasized that these October conversations will have, as primary point, qualitative limitation, which the French had signified they regard as urgent. Secondly, and equally important, progress in quantitative discussions. Third, considerations for summoning a world naval conference.

I shall telegraph again after my Tuesday conversation.

ATHERTON

500.A15A5/450 : Telegram

The Secretary of State to the Chargé in the United Kingdom (Atherton)

WASHINGTON, August 17, 1935—4 p. m.

216. Further reference your 359, August 9, 7 p. m. We are wondering whether, in seeking qualitative limitation even without quantitative limitation, the British have obtained information to the effect that the Japanese have modified their position expressed last year that they could not agree to qualitative without quantitative limitation.[52] We have no word which would indicate that the Japanese have receded from this position. Please endeavor to ascertain whether there has been any change in this respect.

HULL

500.A15A5/459a : Telegram

The Secretary of State to the Ambassador in France (Straus)

WASHINGTON, August 19, 1935—7 p. m.

336. French Ambassador informs us that on August 14 the French replied to British memorandum of August 2 on future naval con-

[52] See memorandum of conversation in the Prime Minister's office, November 23, 1934, *Foreign Relations*, 1934, vol. I, p. 368.

struction. Ambassador stated French Foreign Office was going to inform you of the sense of its reply. Ambassador further stated qualitative proposals in memorandum were in general acceptable to French Government subject to acceptance by Americans and Japanese; that any program for new building should be for longer than 5-year period. If Foreign Office has not informed you of French reply, you might say we were informed of its intention to do so and thus endeavor to obtain as much information as possible with regard to French reply.

Repeat this telegram and your reply to London for Embassy's information.

HULL

500.A15A5/478

The Chargé in France (Marriner) to the Secretary of State

No. 2104 PARIS, August 20, 1935.
[Received August 30.]

SIR: I have the honor to confirm my telegram No. 717, August 20, 5 P. M.,[53] quoting the pertinent paragraphs of the French reply to the British memorandum of August 2, 1935,[54] relative to naval construction, and to forward herewith a copy and translation of the reply together with the transmitting note from the Foreign Office,[55] also in translation.

Respectfully yours, THEODORE MARRINER

[Enclosure—Translation]

French Memorandum in Reply to the British Memorandum of August 2, 1935

1. The Government of the Republic has studied with the greatest interest the Memorandum dated August 2, 1935, in which His Majesty's Government was good enough to set forth on what bases, as a result of the conversations relative to naval armaments which took place in 1934 and 1935, it envisages the possibility of a settlement of the naval question.

2. The Government of the Republic is happy to note its full agreement with His Majesty's Government in considering that the essential object of this settlement should be to determine the qualitative limits to be respected in future by the constructions of various

[53] Not printed.
[54] The British memorandum is quoted in telegram No. 359, August 9, 7 p. m., from the Chargé in the United Kingdom, p. 87.
[55] Latter not printed.

naval powers. With regard to the exact figures mentioned in this respect in Paragraph 4 of the memorandum from His Majesty's Government,—and without dissimulating that they correspond closely to its own conception of the said limitations,—the Government of the Republic deems it nevertheless difficult to make a definite statement as long as certain essential elements of the problem have not been clarified; in particular, the nature of the constructions by which the Reich may follow up the recent Anglo-German naval arrangement, as well as the qualitative limits that the Powers referred to in Paragraph 5 of the memorandum will be prepared to accept.

3. As to questions of a quantitative nature, His Majesty's Government underlines with reason the difficulties and slowness entailed in their settlement on the basis envisaged in Paragraph 2 of its memorandum.

In the opinion of the Government of the Republic, those obstacles will be the more easily overcome if one limits the declarations on constructions to those covering a very short period.

4. In that train of thought and among the several points mentioned in Paragraph 8 of the memorandum from His Majesty's Government,—none of which present any difficulties as far as it is concerned,—the Government of the Republic notes for future consideration the suggestion of a mutual exchange of information concerning naval constructions to be undertaken; it wishes to point out that an agreement on this subject would have an added value if the notifications of keel-laying were completed by previous notices. In that way, in fact, the very delicate problem of quantitative limitations might undoubtedly be directed towards a progressive solution; a temporary solution might be found permitting the immediate completion of the settlement which must in any case first take place from a qualitative standpoint.

5. Such are the observations that occur to the Government of the Republic with regard to the views which His Majesty's Government was good enough to communicate to it with respect to the solution of a problem which interests to such a high degree the peace of the world, and to which the approach of the expiration of the naval treaties in force give a particularly urgent character. It deems it advisable to bring them without delay to the knowledge of His Majesty's Government.

AUGUST 14, 1935.

500.A15A5/464 : Telegram

The Chargé in the United Kingdom (Atherton) to the Secretary of State

LONDON, August 21, 1935—1 p. m.
[Received August 21—12 : 50 p. m.]

386. Having already left a memorandum with the Foreign Office based on the Department's 211, August 14, 7 p. m., I went yesterday to see Craigie in the country and discuss the contents thereof. Craigie informed me that a British memorandum in reply would be prepared in due course, but I venture in the meantime to summarize his remarks briefly.

Craigie stated that the proposals with regard to tonnage and gun calibers of future constructions in the British memorandum had special reference to the European naval situation. He said that the British realize, as implied in that memorandum, that some of these qualitative limits might not be acceptable to the United States but did not wish to approach the European naval powers with greater proposed maxima than seemed necessary or greater than those with which for some years they have been content, the idea being that some conclusion along the lines indicated in the memoranda might be possible for purely European application. Craigie argued the view that a considerable reduction in maximum allowed battleship size did not produce a new type but merely a reduction in the size of the battleship type. He added that the United States had known for some time that the British favored any reduction in the size of future battleships on which the naval powers could agree.

In regard to paragraph 2 Craigie said it was clearly understood last autumn by both the Americans and Japanese that the British Government was to inaugurate and sound out in bilateral conversations both the French and Italians in the matter of naval limitation. He pointed out that up to date nothing had been effected and it was to make those two Governments realize the need for decisive action in this matter that a memorandum had been prepared for the French and Italian Governments, copies of which had been given to the American and Japanese Governments for their information. The material in this memorandum was intended to draw out the French and Italian points of view into declarations of policy by them.

As regards paragraph 4, Craigie said the British Government did not feel the position of the two major participants were still so far apart. He said, however, that the British Government welcomed an informal exchange of views with this Embassy, but added as had been suggested last autumn, that a representative of the Foreign Office

and a representative of this Embassy sit in with the Admiralty and the United States Naval Attaché in their discussion.

As regards the French, Craigie went on to say that the end of last week they had replied to the British memorandum of August 2d and added the French had informed the British a copy of their reply had been given to you.[56] Craigie admitted that the French had given no intimation as to when they were prepared to open bilateral conversations in London and he realized that it was more than possible the Italians in the present circumstances would refuse to consider Anglo-Italian discussions, but that at any rate in spite of having named October as a conference date in the Italian and French memorandum the British Government did not contemplate its actually assembling in London before November at the earliest.

As regards the Japanese, the Foreign Office spokesman, according to reports received here from Tokyo, has stated Japan will consider accepting an invitation when it is received. The press reports here quoting other Japanese officials, Craigie points out, are from Admiralty sources and therefore it is not at all conclusive that Japan will only accept an invitation to a conference in Europe if her principle of common upper limit is acceded to beforehand. Craigie had no indication that Japan had varied from the position outlined in your 216, August 17, 5 [4] p. m. but he was hopeful of Matsudaira's influence in Tokyo naval conversations now going on. Apparently Matsudaira has led the British to believe that impending Admiralty changes in Tokyo may result in a less rigid Japanese attitude.

Craigie stated in the strictest confidence and as a personal explanation to me that he realized that there was some criticism, when Japan announced her intention to denounce the Washington Treaty, that Great Britain was unwilling at that time to establish an Anglo-American front overtly to maintain the 5–5–3 ratio. What the British had in mind, and still believe, is that every opportunity should be accorded to Japan to negotiate on a reasonable doubt. Hence the emphasis had been shifted to qualitative limitation and announced building programs. But if Japan refused to accept any such reasonable offer as a basis of negotiations she would on her own initiative at some time thus eliminate herself from the picture. At that time, and it was becoming apparent that the time was drawing nearer, Great Britain and the United States Government could reach an agreement on their established principle of parity and could, without the appearance of coercion, let it be known to Japan that they intended to maintain in substance the 5–5–3 ratio; that it was their hope that Japan would not force competitive building and would, when her internal situation permitted it, return to a naval accord.

ATHERTON

[56] *Supra.*

500.A15A5/466 : Telegram

The Chargé in France (Marriner) to the Secretary of State

PARIS, August 22, 1935—5 p. m.
[Received August 22—3 : 30 p. m.]

722. My 717, August 20.[57] Talked this morning with Bargeton[58] and Massigli[59] concerning the French point of view on the naval question with reference to their note communicated to London. It was felt that the reasons why the question should be considered primarily on a qualitative basis only was that this would lessen the range of subjects to be discussed should the powers meet in October and make possible some agreement at that time, whereas if the quantitative question was likewise injected there would be practically no possibility of arriving at any conclusions. Furthermore, it was the opinion of the French that quantitative questions would not become acute for some years after existing treaties cease to operate in view of the time it would take for any naval construction. Moreover, if one could satisfactorily settle the types of the vessels to be laid down there would be time for a gradual evolution aided by publicity and an exchange of programs which would produce in practice a quantitative level that might eventually be embodied in agreements.

Massigli did not know whether the Germans had been approached on this subject by the English commensurate with Anglo-German naval negotiations but thought that it was not unlikely. He said also the present situation made it dubious whether England and Italy could sit down at the same table in October.

MARRINER

500.A15A5/471 : Telegram

The Chargé in the United Kingdom (Atherton) to the Secretary of State

LONDON, August 26, 1935—4 p. m.
[Received August 26—1 : 50 a. m]

402. Foreign Office has just telephoned that negative Japanese note on British memorandum has been delivered and a copy will be forwarded me this evening.[60] In the meantime they ask urgently whether a copy of my memorandum to them based on your 211, August 14, 7 p. m., may be made available to the Japanese and French, and the press informed [of] its existence. In the latter case kindly indicate

[57] Not printed.
[58] Paul Pierre Louis Bargeton, director of political and commercial affairs in the French Ministry for Foreign Affairs.
[59] René Massigli, assistant director of political and commercial affairs in the French Ministry for Foreign Affairs.
[60] For text of Japanese *aide-mémoire*, see p. 102.

whether, and if so, how much of its contents may be made public. The British hope for an answer that will enable them to make the press announcement tomorrow morning.

ATHERTON

500.A15A5/471 : Telegram

The Secretary of State to the Chargé in the United Kingdom (Atherton)

WASHINGTON, August 26, 1935—7 p. m.

229. Your 402, August 26, 4 p. m. We are not in favor of giving text or part thereof to the press as we do not believe that present conversations on the subject would be advanced by premature public discussion of the details at this present stage. Our memorandum was intended to be confidential as it was in response to a memorandum which the British Foreign Office expressly asked to be kept entirely confidential (see paragraph 2 of your 361, August 10, noon) and which request we have respected.

Upon repeated occasions within last few weeks in response to direct inquiries as to whether the British had requested information regarding our attitude on naval questions and whether we had replied, I have stated that there was nothing sufficiently definite or tangible in the way of new developments that would enable me to say anything except that of course there are always some communications passing back and forth on some phase of the general problem, but that there is nothing sufficiently developed for us to have anything of importance to give out.

We consider it highly inadvisable to start a public discussion at this time of the details on the preparations for a naval exchange of views, but if the British deem it necessary to take such action at this time we should certainly prefer to have any announcement with regard to the American position made in Washington in order that our press may be given full information. Please keep us informed of any publicity contemplated with regard to replies from any other Governments.

With regard to furnishing to other Governments copies of the memorandum you prepared on the basis of the Department's telegram 211,[61] we wish you to make in the strictest confidence the following observations:

In commenting upon the memorandum the British furnished the French and Italian Governments, we set forth voluntarily and in the frankest and freest manner our reactions to the situation which seemed to be developing as a result of the British proposals to the

[61] August 14, 7 p. m., p. 91.

French and to the Italians. These comments we regarded as strictly confidential as between our two Governments. We did not contemplate and do not wish that these informal comments should be made available to the other Governments and we must request that the British Government continue to hold these comments in the strictest confidence. We realize that the British would not have made this suggestion unless they had some special reason and should they so request we would be glad to furnish a statement which they can give to other Governments.

HULL

500.A15A5/472 : Telegram

The Chargé in the United Kingdom (Atherton) to the Secretary of State

LONDON, August 27, 1935—11 a. m.
[Received August 27—7 : 40 a. m.]

406. The text of the Japanese *aide-mémoire* referred to in my 402 of August 26, 5 [4] p. m., follows: [62]

.

The nature of this reply, together with the failure of the French to name a definite date for bilateral conversations in London, necessitating further delay of Anglo-Italian exchanges, adds further evidence of unreality to British plans of holding another than *pro forma* naval conference.

In this general connection the Department's suggestion that the Naval Attaché of this Embassy and an official of the Admiralty meet for informal exchanges of views without publicity "on our respective positions in an attempt to clear up divergences in respect to future building, quantitative limitation and disposal of over-age tonnage", seems to me far preferable to Craigie's idea, reported in my 386 of August 21, 1 p. m., that a representative of this Embassy and a member of the Foreign Office also take part in these discussions. I am fearful, if the proposed exchanges are amplified in personnel, that the British may wish to give some publicity to the fact that such exchanges are taking place in an attempt thereby to press the French and Japanese into action over our shoulder. Furthermore, if the exchanges were limited to the naval representative there would be less likelihood of inadvertent publicity and it would leave the State Department and/or the Foreign Office free to deny at any time that there had been any formal conversations.

ATHERTON

[62] Telegraphed text was withdrawn by the Japanese in order to make two verbal changes. For text of the *aide-mémoire* transmitted by the Chargé as an enclosure to his despatch No. 1663, September 3, 1935, see *infra*.

500.A15A5/484

The Japanese Embassy in the United Kingdom to the British Foreign Office [63]

AIDE-MÉMOIRE

It appears from the Memorandum of the 2nd August, 1935 presented by the British Government to the French and Italian Governments regarding the limitation of naval armaments that it is the intention of the British Government to prepare the way for the naval limitation conference, stipulated by the Washington Treaty, with a view to reaching agreement primarily on qualitative limits and preferably also on a system of declaring building programmes. The Japanese Government, in order to avoid any possible misunderstanding with regard to their intentions, wish to take this opportunity to call the attention of the British Government to the following two points:—

1) The Japanese Government regard it of importance to reach agreement on general naval limitation comprising both qualitative and quantitative limits, and are unable to agree to consider only qualitative limits apart from quantitative limits.

(2) The Japanese Delegates pointed out during the preliminary talks last year that such a proposal as was then outlined by the British Delegates of declaring building programmes was unacceptable to the Japanese Government, there being a distance in contents from their claims.[64]

500.A15A5/473 : Telegram

The Chargé in the United Kingdom (Atherton) to the Secretary of State

LONDON, August 27, 1935—noon.
[Received August 27—9:10 a. m.]

407. My 374, August 16, 3 p. m. I outlined your 229, August 26, 7 p. m., to the Foreign Office this morning who informed me that no reply has been received from the Italians; the French, although asking that the text of their reply be kept confidential, have let the substance of it leak out in Paris; and that the Japanese stated they had no objection to copies of their memorandum being communicated to the other Washington Powers and the contents thereof conveyed orally to the German and Soviet Governments. The Japanese Chargé d'Affaires had no objection to the press being informed that he had delivered a memorandum to the British Government, providing the

[63] Copy transmitted to the Department by the Chargé in the United Kingdom in his despatch No. 1663, September 3; received September 10.

[64] In paragraph (2) of the original *aide-mémoire* the word "proposal" read "system", and the phrase "there being a distance in contents from their claims" read "being different from their claim".

nature of its contents was not divulged. However, incidentally its contents have come out with respect to Tokyo.

In regard to the United States, Foreign Office will inform the press that, although the American Government had been informally kept advised as to developments and purposes in this connection, and the American Government had orally caused its appreciation to be conveyed for this data, no formal exchange of views or communications had taken place. If further questioned in this matter, the British will state that no further reply was called for and will not admit the existence of a memorandum based on Department's 211, August 14, 7 p. m. which will be regarded as a "précis of conversation with Craigie".

The tenor of my conversation at the Foreign Office and the considerations set forth in my 406, August 26 [*27*], 11 a. m., led me not to make any suggestions in line with the last sentence of the Department's instructions for the moment.

ATHERTON

500.A15A5/473 : Telegram

The Secretary of State to the Chargé in the United Kingdom (Atherton)

WASHINGTON, August 27, 1935—2 p. m.

230. Your 407, August 27, noon, is eminently satisfactory to us. We approve your not making the suggestions contained in the last sentence of our instructions and authorize you to bring them up in your discretion if and when the occasion calls for this.

HULL

500.A15A5/466 : Telegram

The Secretary of State to the Chargé in France (Marriner)

WASHINGTON, August 28, 1935—11 a. m.

348. Your 717, August 20, 5 p. m.[65] and 722, August 22, 5 p. m. Mr. Henry, of the French Embassy, came in to see Mr. Dunn today to inquire as to this Government's views in connection with the present naval situation, particularly the British Memorandum to the French and their reply. He was in substance informed as follows:

This Government had not as yet definitely formulated its position with regard to details, but certain tentative general observations might be communicated to the French Government with the understanding that they were preliminary and might require modification in the light of further developments. On this assumption, Mr. Henry

[65] Not printed.

was told that the United States continued to support the principles and major provisions of the Washington and London Treaties as the most practicable means of limiting and reducing naval armaments; that this Government nevertheless recognized the apparent impossibility of continuing the present Treaties; that it reluctantly found itself obliged to agree with the French Government's view as to the difficulty of coming to a general agreement regarding quantitative limitation; that it nevertheless had not abandoned all hope of achieving some kind of quantitative limitation; that it had been agreed at the conclusion of last year's conversations in London that the British Government should explore the possibilities of an indirect quantitative limitation through the limitation of building programs; that these explorations on the part of the British Government had apparently not as yet been concluded, and that we would wish to await the final results of these explorations before determining our own position with regard to the possibility of further quantitative limitation.

Mr. Henry was further informed that this Government was anxious to preserve as many of the principles and provisions of the Washington and London Treaties as could be saved; that it was therefore in agreement with the French Government's view that, if quantitative limitation proved impossible, there should at least be sought an agreement as to qualitative limits. On the other hand, this Government was of the opinion that any attempt substantially to modify existing qualitative limits, as embodied in the naval Treaties, would complicate an already difficult situation in that each country would advocate limits best suited to its own particular naval purposes; and that it would be much wiser to continue the present treaty types for as long a period as possible.

With respect to the French proposal for advance notice of laying down (*préavis*), Mr. Henry was advised that no full consideration had as yet been given to this idea, but that it seemed primarily in the nature of a minimum achievement in the event that all other means of limitation should fail; that it therefore seemed premature to lay down a position respecting this proposal at the present time; and that our ultimate views regarding it would have to depend on later developments and on the manner in which it would fit into the general picture.

In conclusion Mr. Dunn expressed our appreciation for the French Government's desire to keep us informed of developments and hoped that it would be possible, when occasion arose, to continue this informal exchange of views.

You may use this information in any conversations on the naval question you have with officials of the Foreign Office. We are giving

no publicity to the naval exchanges which have been proceeding either with the British or with the French, and hope that it may be possible to keep these preliminary talks confidential since we do not believe that the prospects of ultimate agreement would be advanced by a detailed public discussion at this time.

Send copy to Amembassy at London for Atherton's information.

HULL

500.A15A5/466 : Telegram

The Secretary of State to the Chargé in France (Marriner)

WASHINGTON, August 29, 1935—2 p. m.

352. In discussing the subject of our 348 with particular reference to third paragraph mentioning French view that "if quantitative limitation proved impossible, there should at least be sought an agreement as to qualitative limits", you should not give the impression that we are seeking or would agree to a qualitative limitation only, but should rather stress the note that we do not wish to discuss any particular or individual changes from the principles of the existing treaties separately from the comprehensive consideration of all the elements of the problem.

HULL

500.A15A5/482

The Chargé in Italy (Kirk) to the Secretary of State

No. 1280 ROME, August 30, 1935.
[Received September 9.]

SIR: With reference to my telegram No. 528 of August 29, 12 m.,[66] regarding the reply of the Italian Government to the Memorandum of the British Government on naval armaments, I have the honor to transmit herewith for the Department's further information a copy and translation of the document which I received in strict confidence from an official of the Italian Ministry of Foreign Affairs and on which my above-mentioned telegram was based.

I have the honor to add that it is my understanding that this communication from the Italian Government was presented to the British Embassy in Rome on August 26th.[67]

Respectfully yours, ALEXANDER KIRK

[66] Not printed.

[67] Telegram No. 431, September 10, 1935, 1 p. m., from the Chargé in the United Kingdom, reported that the text of the memorandum was communicated to the British Government by the Italian Ambassador September 4, 1935 (500.A15A5/483).

[Enclosure—Translation]

Italian Memorandum in Reply to the British Memorandum of August 2, 1935

The Italian Government has most attentively examined the memorandum in which the Government of His Britannic Majesty, following the conversations had with it on the subject of naval armaments, sets forth the bases upon which, in its opinion, an agreement could be reached.

I. In the opinion of the British Government, it would be necessary in the first place to work toward new qualitative agreements to replace those contained in the present treaties; for that reason the fundamental purpose of the forthcoming conference should be precisely the conclusion of new qualitative agreements.

As the British Government is aware, the Italian Government has always in the past upheld the principle of the limitation of global tonnage. Nevertheless, for the purpose of facilitating the possibility of new agreements among the leading naval powers, it is disposed to accept the principle of qualitative limitations.

II. As regards tonnage and armament limitations for individual categories of craft, suggested by the Government of His Britannic Majesty as possible bases for agreement, in point 4 of its memorandum, these in a general way would fall in with the ideas of the Italian Government. Before it could, however, pronounce itself on the subject in any definite way, it would be necessary, in the opinion of the Italian Government, to have certain data not yet available upon which to base a decision: it is particularly the naval construction program of the German Government and the intentions of the Governments mentioned in point 5 of the British memorandum to which the Italian Government means to refer.

III. As regards the possibility of a quantitative limitation of naval armaments as well, in the opinion of the Italian Government the only practical possibility which today seems to exist would be that of prompt communication of annual naval construction programs on the part of the individual powers concerned.

IV. As regards the questions referred to in point 8 of the British memorandum, the Italian Government declares itself in a general way favorable to an examination thereof during the forthcoming conference, with a view to an eventual general agreement in the premises.

Rome, August 27, 1935.

500.A15A5/486 : Telegram

The Chargé in the United Kingdom (Atherton) to the Secretary of State

LONDON, September 12, 1935—7 p. m.
[Received September 12—3 : 04 p. m.]

435. Craigie sent for me this afternoon to hand me the appended *aide-mémoire* on naval disagreement [*disarmament?*]. We agreed, as reported in my 407 of August 27, noon, that this written communication should also be regarded as a précis of conversation.

"The *aide-mémoire* communicated by the United States Embassy to the Foreign Office on the 17th August [68] on the subject of the recent discussions on naval limitation appears to betray a certain misapprehension of the real purpose of the memorandum of the 30th July which was addressed to the French and Italian Governments. It is desirable that this misapprehension should be cleared up without delay.

When the conversations between representatives of the Governments of the United States, Japan and the United Kingdom ended in December, it was understood on all sides that the next step would be for the United Kingdom to enter upon conversations with certain of the European powers. Conversations were accordingly arranged with representatives of the German Government, but up to the present it has not proved possible to institute any further bilateral discussions with the French and Italian Governments. As an alternative method of procedure His Majesty's Government in the United Kingdom have set forth in the form of a memorandum what they had understood, from the earliest conversations held in 1934, to be the desiderata of the French and Italian Governments so far as qualitative limitation was concerned and they inquired of those Governments whether the limits mentioned did in fact correspond with their views. The objective of His Majesty's Government has been, not to make to the United States or the Japanese Government anything in the nature of joint European proposals, but simply to ascertain, by the only method remaining open to them, the definite views of the French and Italian Governments on those points. Once the facts had been ascertained and the views of the French and Italian Governments as to the holding of a conference had been made known, it had been the intention of His Majesty's Government to communicate these facts to the Governments of the United States and Japan and to invite an expression of their views before attempting to reach a final opinion as to whether a conference could be held this autumn. Thus His Majesty's Government had in any case contemplated the holding of further Anglo-American conversations on the lines suggested in the United States Embassy's memorandum before anything in the nature of 'proposals' for submission to a conference of the Washington Powers could be drawn up.

It is doubtless a misconception of the intentions of His Majesty's Government on this point of procedure which led the United States Government to state in their memorandum that His Majesty's Gov-

[68] See footnote 51, p. 92.

ernment are endeavoring to put forward 'as a European view' proposals which His Majesty's Government must have known to be unacceptable to the Government of the United States. His Majesty's Government have made no such endeavor and their proceedings throughout have been strictly in accord with the understanding reached with the representatives of the United States and Japanese Governments before they left London.

In this connection it is observed that the United States *aide-mémoire*, when speaking of the qualitative provisions of the British 'middle course', states that these 'were not to be devised in an effort to change existing types, but were rather to prevent competition in new types'. To avoid misunderstanding it should be made clear that the British proposals have always visualized the taking of measures not only to prevent competition in new types but also to secure some reduction in the maximum displacement of ships and the calibre of guns as one means of diminishing the burden of naval armaments in the protocol at large. Although they are aware of the preference of the United States Government for a larger ship and a larger gun than those favored by His Majesty's Government they have hoped that the Government of the United States would be prepared to contemplate some appreciable reduction in the Washington limits. They have always believed that when the United States Government are prepared to indicate definitely to His Majesty's Government what are their minimum views in the field of qualitative limitation no great difficulty should be experienced in reaching a friendly understanding on the point.

Furthermore, the Government of the United States will readily recognize that the countries of the British Commonwealth of Nations have to take into account both European problems and world problems. Obviously if the other European countries were prepared to agree to a lower limitation, there would be a general advantage if such qualitative limits were acceptable to the oceanic powers, as against the alternative of setting the pace all 'round in the matter of size.

His Majesty's Government had concluded from previous conversations—and they still hope—that there is no considerable divergence of view between the two Governments on this question. They feel with the United States the desirability of establishing as close an approximation of views as possible in this sphere and for this reason they agree with the United States Government that an informal exchange of view would be a helpful course. Such conversations would most naturally take place through the ordinary diplomatic channel between a representative of the United States Embassy and of the Foreign Office, it being of course understood that the Naval Attaché of the United States Embassy and a representative of the British Admiralty would also be present. If this procedure is agreeable to the Government of the United States it is suggested that the proposed exchange of views should take place as early as possible in the present month."

ATHERTON

500.A15A5/487 : Telegram

The Chargé in the United Kingdom (Atherton) to the Secretary of State

LONDON, September 12, 1935—8 p. m.
[Received September 12—4:25 p. m.]

439. My 435, September 12, 7 p.m. In transmitting the text Craigie made following observations.

1. Unless the Abyssinian crisis [69] renders the summoning of a naval conference this year absurd, the British Government envisage such a conference being summoned (presumably at their initiative) even though the scheduled bilateral talks with France and Italy have not taken place. This year offers the last occasion for holding a naval conference under the provisions of and therefore in consonance with the terms on which existing naval treaties are based. Any conference after this year would be called under a new set-up wherein Japanese demands would probably be impossible of acceptance. The end of October would be the last moment at which invitations might be issued for a conference in the present year, but before that time the proposed informal exchange of views between the United States and Great Britain should have made considerable headway.

2. In any conference held this year the British, for want of better, would put forward their 6-year program proposals, but if quantitative limitation were found impossible, then the British would like to know before the conference began what would be the American attitude towards a qualitative agreement only, both to ships and guns and a possible zone of no construction. Furthermore, the British would seek advance expression from the United States as to whether, if Japan would not join in any agreement the United States would be willing to consider a pact (to include France and Italy) with a "let-out clause" in view of Japan's indefinite position. In such an eventuality the British would hope that if Japan could not see her way to sign at the same time with other nations she might fall into line, informally if not even eventually formally.

3. Craigie pointed out that any conference which placed emphasis on qualitative limitation would be almost doomed if these informal Anglo-American conversations did not reach some approximation of agreement on the size of cruisers incidentally, but more especially battleships. As between 25,000 and 35,000 an obvious agreement need not be 30,000-ton battleships but he hoped there might be some fruition to the autumn talks of last year, and that the American Government

[69] See pp. 594 ff.

might find it possible to favor even a 2,000 or 3,000-ton reduction in battleships. Such an attitude of the United States would definitely help the British position in determining its maximum battleship tonnage as well as render their task of negotiation with other countries easier.

4. I explained to Craigie, on expression of his desire for early opening of suggested informal talks, that instructions must first be received from Washington, and then asked, if such government representatives as he contemplated took part in these discussions, whether other governments would be notified as to this Anglo-American exchange of views. Craigie was very definite that the Japanese at least should be informed that he and a United States representative were discussing the pros and cons of a conference in the present year. I outlined as my personal point of view that it seemed to me that in the preliminaries any conversations should be limited to the Naval Attaché and representatives of the Admiralty. Craigie pointed out that he had no objections to this, provided the Foreign Office and presumably this Embassy were also represented and added that last autumn considerable emphasis had been laid on the necessity for Foreign Office and Japanese Embassy representatives being present whenever the Admiralty and Japanese naval officers met.

ATHERTON

500 A15A5/491

Memorandum of Conversation, by Mr. Noel H. Field of the Division of Western European Affairs

[WASHINGTON,] September 14, 1935.

Present:

For the Department of State:	For the Navy Department:
The Secretary of State.	Admiral Standley.
Mr. James Clement Dunn.	Admiral Greenslade.
Mr. Noel Field.	Captain Van Keuren.

The Secretary opened the discussion by stating that he thought it desirable, in view of developments in the Naval situation, for the Navy and State Departments to keep in close touch with each other with a view to developing this Government's position, and he said that he had called this meeting in order to get informally the Navy Department's reaction to telegrams No. 435 and 439 of September 12 from London, containing the latest suggestions of the British.

Admiral Standley thereupon read these telegrams aloud and commented on the individual paragraphs as he went along. His principal remarks may be summarized as follows:

Admiral Standley said he believed Mr. Davis would bear him out in declaring that it was *not* the understanding, at the time of the closing of last year's conversations, that the British should undertake conversations with non-signatory Powers. It was, on the contrary, clearly understood that the British would continue negotiations through diplomatic channels with the other Treaty Powers with a view to finding a basis of agreement for calling another meeting or conference of these Treaty Powers. (Mr. Dunn at this point read a telegram relating to the conversations during the summer of last year indicating that the British themselves were opposed to including any non-Treaty States in the preliminary conversations or in the final conference. See telegrams No. 360 of June 26, 1934, from London,[70] last paragraph, and No. 271 of June 27, 1934, to London [71]). What the British are now in fact trying to do, contrary to their disclaimer, is to line up the European Powers in such a way as to put us in a hot spot on the question of qualitative limitation.

With regard to Craigie's statement that the British had to take into account both European problems and world problems, Admiral Standley remarked that the British must also consider that the United States has a particular problem in the Pacific which calls for characteristics in American Fleet construction which are not required by other Powers. As to the reference in telegram No. 439, to a British six year program, Admiral Standley said this program had never been officially put on record but had been informally and confidentially given to him by Admiral Chatfield [72] last fall.

Admiral Standley raised the question as to how far we should go in laying our cards on the table in talking with the British. He did not believe they had as yet been frank with us; for instance, he doubted whether the British really wanted to limit battleships of 25,000 tons. Admiral Greenslade here suggested that we might begin by asking the British how they envisaged such a limitation in view of the fact that the Italians had already been building two 35,000 ton ships for over a year. He thought it was unlikely that the Italians could at this stage be induced to abandon these ships or reduce their tonnage. In general, it would be impossible to reduce the tonnage of battleships to an appreciable extent without cutting down on the number and caliber of guns. Thus, a 25,000 ton ship could not well carry more than nine guns of a maximum caliber of 12 inches.

Admiral Standley said Craigie's reference to the possibility of the United States reducing battleship tonnage by 2 or 3,000 tons was the direct result of his conversations last fall with Chatfield. At that

[70] *Foreign Relations*, 1934, vol. I, p. 276.
[71] *Ibid.*, p. 278.
[72] Admiral of the Fleet Sir A. Ernle M. Chatfield, British First Sea Lord and Chief of the Naval Staff.

time he had pointed out that we could only agree to limits which would enable us to build a balanced ship with adequate power of survival, speed, et cetera. None of the Powers having engaged in any battleship construction for the last 15 years, there had been tremendous development in naval architecture which had not as yet been tested in actual practice. The first battleships to be built by any Powers would therefore be largely experimental. It would be most unwise to fix new limits for a long period which might result in being forced to build ships at great expense which would prove to be inadequate. On this basis, Admiral Standley had suggested to Admiral Chatfield the possibility that we might agree to a limit of 32,500 or 33,000 tons for the first few ships to be built. After these ships had been completed and tested the Powers could meet again and then, on the basis of their new experience, agree upon new limits for a longer period.

In this connection, Admiral Standley thought it desirable for us, even in the absence of a treaty, to remain within the replacement provisions of the Washington Treaty, as deferred by the London Treaty. These provisions would permit us to lay down two new ships a year. Two ships would be all Admiral Standley would want for the trial period; in fact, he would be satisfied with one. Thus a slowing down of replacements under the Treaty might be agreed upon for the trial period. Then, if any other Power should exceed the replacement provisions of the Washington Treaty, it would clearly have shouldered the burden of going beyond the Treaty limits.

In conclusion, it was agreed that the Navy Department would attempt to prepare a telegram to Captain Anderson setting forth in a general way the basis on which he might enter discussions with the British Admiralty without giving our detailed final position and without definitely committing us. It was felt that it would be perhaps unwise to lay all our cards on the table at present but rather to seek to determine the real objectives of the British and then, in the course of informal exchanges of views, determine whether there is any basis for agreement between the two Governments on technical details.

There was no discussion of the question of exactly how the conversations should be initiated and proceeded with in the light of the British desire to conduct them primarily through diplomatic channels rather than as between the Naval Attaché and the Admiralty.

500.A15A5/493

Memorandum by Mr. Noel H. Field of the Division of Western European Affairs

[WASHINGTON,] September 17, 1935.

Mr. Davis called me on the telephone this morning and told me he had had a most satisfactory talk with the President on the naval ques-

tion. The President had said it would be perfectly all right to go ahead and show our hand to the British, telling them frankly that if they will accept 14 inch guns and 32 to 33,000 tons for capital ships, we will be prepared to try them out for a period and subsequently work out a new agreement on the basis of the experience gained. In the President's view, the 14 inch gun is better than the 16 inch gun any way.

The President agreed with Mr. Davis that there might be an advantage in holding a conference this year and he was prepared to conclude an agreement with the British even without the Japanese.

Mr. Davis said the President had been thinking along the lines of using the Italo-Ethiopian conflict as a pretext for suggesting an extension of the Naval Treaties for a while. He thought we might propose that inasmuch as one of the parties to the Washington Treaty is at war, it would be a good thing for us just to let the Treaties continue for a year or two until that Power was in a better position to negotiate. Mr. Davis, however, pointed out to the President that this would not fit in with the British desire to retain overage cruisers. The President replied that that was all right and that the United States would in that case hold on to what it wanted also.

500.A15A5/490 : Telegram

The Secretary of State to the Chargé in the United Kingdom (Atherton)

WASHINGTON, September 19, 1935—6 p. m.

261. Your 435, and 439, September 12. You are authorized at any time convenient to the British to enter into informal discussions with them. The following message from the Navy Department to Anderson [73] is intended for his guidance:

"Reference 435 and 439 of September 12, 1935 from Atherton.

The Naval Attaché is authorized to represent the Navy Department in an informal exchange of views with representatives of the British Admiralty as arranged by the United States Embassy in accordance with the above references. He will be guided by the following considerations:

(*a*) Views exchanged will be general and tentative in nature, but designed to indicate limits beyond which the Department will not go.

(*b*) Our representations will be made with a view to assisting the Admiralty in arriving at a basis for negotiation looking to an ultimate agreement.

The following views of the Department may be discussed bearing in mind the considered opinion of the Department that 'qualitative

[73] Capt. Walter S. Anderson, Naval Attaché.

limitation, without quantitative limitation, or an arranged program that will continue the naval balance established by the Washington and London treaties,' is not consistent with the desire of the United States for naval stabilization and accord:

(*a*) The Department will accept a reduction in calibre of guns of capital ships to 14 inches.

(*b*) The British have expressed the hope that we could accept a reduction of two or three thousand tons in battleship displacement as being very helpful in future negotiations. We would be very glad to accept this, or a greater reduction, provided it could be done consistent with essential characteristics. Recent studies, however, indicate that to meet modern conditions including the need for increased speed and protection, very little, if any, reduction below 35,000 tons can be effected. The Department therefore suggests for discussion: (1) restriction in number of capital ships by a building agreement similar to the six year program referred to; (2) limitation to a battery of nine 14-inch guns; (3) deferment of the question of displacement limitation below 35,000 tons to a future consideration after a period which will give opportunity to determine definitely after trial and experience the amount of reduction obtainable.

(*c*) As to any proposal by the British for an increase in cruiser tonnage, the Department considers that agreement is possible only on condition that we obtain types in return suitable to our needs. If in this connection the British should raise the point of retaining over-age tonnage that should be scrapped under the existing treaties, the Department suggests that you indicate that the United States has been proceeding on the assumption that the scrapping provisions of the Washington and London treaties would be carried out, but that if they have any definite suggestions to make, you will be glad to transmit them for consideration. You may bear in mind that unless something is done to disturb the existing equilibrium or ratio, the question of the replacement of eight-inch gun cruisers will not come up for fifteen or twenty years.

(*d*) The Department will strongly support the stand of Great Britain on reduction or elimination of submarines and to that end proposes for consideration that nations which reduce or abolish submarines may build, within limits to be determined, additional destroyers adequate to protect against submarine aggression.

Subject to your report of any discussion that may take place, the Department will be prepared to furnish further details or consider definite suggestions which may be advanced."

With respect to the British inquiry as to whether we would be prepared to enter a naval agreement even without the Japanese, we agree that it would be desirable for the British and ourselves to reach a naval agreement which, if possible, would also include France and Italy, but with a necessary clause of elasticity. It would be advisable under these circumstances that such an agreement be in

effect a continuation of existing naval treaties with such modifications as the circumstances may require and that it be left open for Japanese adherence at any time.

For the reasons suggested by the British in view of the fact that both the Washington and London treaties call for a conference to be held before the end of this year, we believe it desirable that the British arrange for such a meeting to satisfy this requirement if in any way possible, consulting us in advance. Inasmuch as the British have taken the initiative and since it is not desirable to hold two meetings, it would be preferable for the British to go ahead and call such a meeting to cover the provisions of both treaties.

We see no objection to the British Government's informing the Japanese Government that we are discussing the pros and cons of a conference as suggested by Craigie, but we are anxious to avoid any publicity at this time.

HULL

500.A15A5/496 : Telegram

The Ambassador in the United Kingdom (Bingham) to the Secretary of State

LONDON, September 27, 1935—1 p. m.
[Received September 27—9:05 a. m.]

475. By agreement made earlier in the week first exchange of views were held this morning (see Department's 261, of September 19, 6 p. m.), details follow.

This morning's *Daily Express* and *Daily Mail* carry headline story that British Government will shortly inform the United States that she intends to invoke the escalator clause. Consequently, all newspapermen have been busy this morning and did discover from an Admiralty source that an Admiralty representative was in consultation with a representative of the American Embassy. Consequently, when Mr. Atherton and Captain Anderson left the Foreign Office today they were beset by newspaper reporters but refused any comment except that they had no knowledge of the story printed in the *Daily Express*.

Foreign Office has just informed me that in reply to press inquiries they have already stated that there is no foundation for the *Daily Express* and *Daily Mail* story, and will reply to further inquiries if necessary that through diplomatic channels the British and Americans did discuss today certain points arising out of the British memorandum of August 2nd in regard to the holding of a further naval conference. They will likewise add if pressed that present at these conversations were not only Mr. Craigie and Mr. Atherton, but that

also the Naval Attaché of this Embassy was brought into the discussion.

Please inform Navy.

BINGHAM

500.A15A5/497 : Telegram

The Ambassador in the United Kingdom (Bingham) to the Secretary of State

LONDON, September 27, 1935—5 p. m.
[Received September 27—2:45 p. m.]

478. My 475, September 27, 1 p. m. By my direction, Atherton and Anderson discussed naval questions informally this morning at the Foreign Office with Craigie and Danckwerts of the Admiralty. Craigie opened the discussion by referring to the British memorandum of August 2nd, amplifying the explanation previously given that it was not intended as an endeavor to create a European front.

It was agreed that the views to be exchanged were tentative and for the purpose of assuring mutual understanding "in arriving at a basis for negotiations looking to an ultimate agreement". The British were reminded that the American Government stood for a continuation of the principles of existing naval treaties and was prepared to accept a reduction as much as 20% in tonnage by categories, but that qualitative limitation without the continuation of ratios or satisfactory quantitative limitations did not meet the American desire.[74] However, America desired to salvage as much as possible of the naval treaties.

As a preliminary and basic consideration our representatives stated it to be the American understanding that without prejudice to further discussion Britain and America would like to continue the existing naval treaty qualitative limitations provided no reduction could be mutually agreed upon and asked for British confirmation, which was definitely received.

The American willingness to accept a reduction in calibre of guns to 14-inch was affirmed, subject to general agreement by all naval powers. In response to British questions it was stated that America retained liberty of action in this respect until such an agreement had been accomplished.

Subsequently the capital ship was the main theme of discussion. Regarding a reduction in battleship displacement, the British were informed of the American desire to accept such reduction as was

[74] See telegram No. 336, June 19, 1934, 6 p. m., from the Ambassador in the United Kingdom, and telegram No. 270, June 26, 1934, 9 p. m., to the Ambassador in the United Kingdom, *Foreign Relations*, 1934, vol. I, pp. 262 and 277.

feasible but that, even if the reduction were eventually found practicable, our studies indicated that it must be very limited. The British then referred to the view allegedly presented by Admiral Standley that it was desirable to build at least one capital ship with existing allowed maximum characteristics and from trial of that to see whether any tonnage reduction could be expected. They were informed this was still the general American viewpoint and, after discussion British acquiesced in this proposition, evidently strongly influenced by current European capital ship construction programs. The fact that Italy is building two capital ships of maximum characteristics, as stated by the British, with 15-inch guns, and that the French and presumably the Germans propose to match them, resulting in six modern Continental capital ships, has, in the British view, produced a new situation and evidently weakened their insistence upon immediate reduction in capital ship displacement.

The proposition finally reached was that each power be permitted to build, after December 31, 1936, two capital ships with existing treaty maximum gun calibre and tonnage limitations, but that ensuing capital ships should by agreement be limited to guns of 14-inch calibre. This proposition envisaged a possible reduction in displacement of the 14-inch gun ships, perhaps resulting from economy of weights, due to reduction in size of guns. In this discussion, however, a tentative American suggestion that the British desire for smaller capital ships might be met by limiting the number of allowed 14-inch guns per capital ship to, say, 12, did not meet ready British concurrence in view of their expressed preference for a tonnage limitation. I venture to point out, however, the British took this suggestion under advisement and appeared interested. The British evidently desired to find a way definitely to reduce the allowed tonnage of these above mentioned 14-inch gun ships but could suggest no practical method as service experience would not be available until completion of trial of the unfinished new capital ships of maximum characteristics.

No American commitment was made as to this reduction in maximum displacement but the question of a future and very minor reduction in displacement was left open. In the course of this discussion the British tentatively mentioned 30,000 tons as a future maximum displacement, and then increased their proposal to 32,000- or 33,000-ton maximum.

The British raised the question as to the desirability of a minimum displacement limit for capital ships in view of probable inadequate quantitative limitation by categories in order to provide a blank displacement zone and prevent unusual or surprise types to be developed. In this connection they were apprehensive over possible Japanese competition in new types without such a blank zone. British men-

tioned a tentative 20,000-ton lower limitation. They were told this proposition seemed to afford a basis for discussion. Accordingly, instructions are requested on this point.

At the conclusion of the talk the British asked whether we tentatively were prepared to accept British proposed maximum of 22,000 tons with 6.1 guns for aircraft carriers, and were told an answer on this point would be forthcoming. Instructions are requested.

Unless otherwise instructed it is proposed to hold a further meeting Tuesday or Wednesday of next week to discuss those other points in the Department's 261, September 19, 6 p. m., not covered today.

BINGHAM

500.A15A5/496 : Telegram

The Secretary of State to the Ambassador in the United Kingdom (Bingham)

WASHINGTON, September 27, 1935—7 p. m.

271. Your 475, September 27, 1 p.m. At press conference this morning I made the following remarks for attribution to me:

Ambassador Bingham has reported to the Department that the British Government today stated in reply to press enquiry that there was no foundation for stories in the *Daily Express* and *Daily Mail* that the British Government would shortly inform the United States it intends to invoke the escalator clause.

After adding, for background, that any signatory to the London Naval Treaty is, of course, bound by the Treaty to notify other signatories in the event of its intention to invoke the escalator clause and that we have not received any such notice or any indication that such notice will be given, I proceeded along the following lines:

At the end of the naval conversations held in London last December a joint communiqué was issued announcing the British Government would continue to explore the ground for a naval conference with the French and Italian Governments and keep Japan and ourselves informed of the progress of the conversations. A few months ago the British Government announced they were proceeding with the conversations with France and Italy and hoped it would be possible to call a naval conference before the end of this year in accordance with the naval treaty. The British Government informed Mr. Ray Atherton, Counselor of the Embassy, and Captain Walter Anderson, naval attaché of the Embassy in London, of the progress of the exchange of views with the French and Italian Governments relating to holding a further naval conference. That is about the situation so far. There haven't been enough definite and final phases of these conversations so far to make them the bases of news items.

HULL

500.A15A5/498 : Telegram

The Ambassador in the United Kingdom (Bingham) to the Secretary of State

LONDON, September 28, 1935—1 p. m.
[Received September 28—9:13 a. m.]

482. The following is supplementary to my strictly confidential cable No. 478, September 27, 5 p. m.

Referring to the first two capital ships to be built by each of our nations after 1936, the British tentatively suggested 15-inch guns for them. They were told 15-inch guns were unacceptable to us as we had never developed a naval gun of this calibre and that if 14 inches were to be exceeded, we considered the present allowed maximum, viz. 16 inches, should be retained. The British, of course, have 16-inch guns in service as well as we, and there is good reason to believe they have done development work on a 14-inch gun but their exact progress in this is not known. The British promptly dropped the 15-inch proposal.

BINGHAM

500.A15A5/497 : Telegram

The Secretary of State to the Ambassador in the United Kingdom (Bingham)

WASHINGTON, September 30, 1935—7 p. m.

277. Your 478, September 27, 5 p. m. The points upon which you requested instructions are under consideration and while we will be able shortly to give you the results of the studies being made by the Navy Department, we believe it would be preferable to await your report on your further conversations when the balance of the items to be covered in this preliminary exchange as outlined in our 261, September 19, 6 p. m. will have been dealt with.

Referring to your statement that the British were reminded that this Government was prepared to accept a reduction as much as 20 percent in the "tonnage by categories", we feel that the proposal of the President for a practical reduction of 20 percent of total tonnage is not a subject for discussion at the present purely technical stage. At this stage we would prefer to have you only bring up matters connected with the technical points contained in our 261, while of course you will listen to and report anything that the British may desire to bring up.

We note your report of an American suggestion for the limiting of the number of allowed 14-inch guns per capital ship to say twelve. In this connection see paragraph (*b*) clause (2). Was a limit of nine 14-inch guns discussed?

While we do not wish you to go into any further development of the capital ship question at the moment and would prefer to have you proceed to the other points to be discussed, we feel that you should know that you are under some misapprehension with regard to the Navy's views with respect to the possible new experimental battleships. Our observations on your first conversation will clear up our views in this regard. HULL.

500.A15A5/500 : Telegram

The Ambassador in the United Kingdom (Bingham) to the Secretary of State

LONDON, October 1, 1935—5 p. m.
[Received October 1—4 p. m.]

485. This morning naval discussions were resumed.

The British proposed that no more 8-inch gun cruisers be built; that a limit be placed on number of 10,000-ton 6-inch gun cruisers, and that individual cruiser tonnage generally be limited to 7,600 tons; also reiterated their desire for 60 under-age cruisers with retention of 10 over-age in addition. British stated should there be agreement on no further building of 8-inch cruisers *Hawkins* class would be scrapped or if retained over-age would be altered to make them class "B". In reply to our question British confirmed situation would then be British would have 15 and we would have 18 class A cruisers.

British were informed United States attitude desiring retention of present allowed maximum cruiser characteristics remained unchanged, but their proposal would be submitted. British proposition was contingent upon general agreement Washington Powers and British believed Germans would conform, but frankly stated British doubts as to Japanese agreement. As alternatives British would welcome general agreement for limited term or agreement that cruisers would be limited to 6-inch guns. We gave no encouragement as to American agreement on any deviation from present qualitative limitations for cruisers.

Regarding destroyers, which term herein includes leaders, British desire abolition of present treaty qualitative limitations unless there be general agreement for continuing existing qualitative limitations. If submarines are not abolished British want 50,000 tons of over-age destroyers additional to present allowed 150,000 tons under-age. In case submarines were abolished British would accept reduction of destroyer tonnage to 100,000.

In connection destroyers, as alternative British mentioned as less desirable possibility a short-term general agreement to continue present qualitative limitations, mentioning 2 years as against their original 6-year proposal. In general they appear to favor short-term agree-

ments if nothing better can be agreed upon. We made no commitments as to destroyers but registered no objections to expressed British views.

Regarding submarines, concurring views were expressed by both as to the desirability of complete elimination of submarines by general agreement or, failing that, for some agreed reduction. The British expressed their desire in case abolition could not be agreed upon that submarines be reduced in tonnage to 250 tons to restrict them to defensive roles. The British recognize there is little hope of abolition of submarines due to probable French and Japanese objection but stated Germany would agree to abolition. British stated their view was that submarines should be totally abolished or there should be allowed a sufficient tonnage to make them capable of real usefulness, for example, failing abolition they could not accept too drastic a reduction but would probably never want more than the present allowed maximum tonnage. There was agreement that failing other limitation the present maximum individual submarine limitations, viz.: 2,000 tons and 5.1-inch guns should be continued.

British mentioned their desire that article 19 of Washington Treaty regarding limitation of Pacific fortifications be perpetuated but stated that subject probably was not appropriate for discussion now with which view we acquiesced.

Referring to British memorandum of August 2d, paragraph 8, there was tentative concurrence as to the items from existing naval treaties therein mentioned forming a proper basis for consideration at the conference with continuation probable.

In connection with reciprocal notification relating to laying down new ships, the British referred to the French desire expressed at Geneva for (*préavis*) earlier notification and elaborated the British view as to constitutional and technical difficulties for more than 6 months' notification and said recent information was that the French more clearly now appreciated such difficulties.

Regarding scrapping, we stated the United States has been proceeding on the assumption that the scrapping provisions of the Treaty would be carried out in default of any contrary representations having been made. The British indicated their belief that this matter would be considered by the Conference later this year but that their tentative desire to retain 50,000 over-age destroyers tonnage in case submarines were not abolished should be kept in mind and also the possible retention of over-age 6-inch gun cruisers as already mentioned; this whole proposition was necessarily somewhat undefined since depending considerably upon the changing international situation which British stated for our confidential information had resulted in holding up putting on the sale list cruisers *Castor*, *Constance* and *Brisbane*, already in process of dismantlement. The British reiter-

ated if the *Hawkins* class were retained they would be either demilitarized or otherwise altered to make them class "B". Craigie mentioned United States would probably want to avoid precipitate scrapping of old destroyers but Danckwerts observed we had probably had them as long as we wished in view of their age.

Regarding the London Treaty part IV, subject "Submarine Warfare", the British expressed the view that the next naval agreement was not the best place for rules for submarine warfare, but that they should be in a separate protocol to which the British hoped adherence of all nations might be obtained.

British reverted to capital ships and mentioned the age limit of 26 years allegedly tentatively fixed upon in Geneva Disarmament texts [75] and expressed the British desire that this battleship age limit be accepted. The British consider agreed age limits particularly important as a definition usual to them in connection with their German naval agreement, and also in defining sizes of categories and Navies should it be possible to accomplish any measure of quantitative limitation. Instructions are requested.

Craigie stated he had talked to Japanese Chargé d'Affaires, after our first discussions and Fujii had stated that he had no instructions or representations to make. Craigie stated he pointed out that the British could not accept as the Japanese last word the uncompromising attitude that they could not talk qualitative limitations without a quantitative limitations and could not talk quantitative limitations without an agreed upper limit, and requested that Fujii communicate with his Government with a view to Japanese participation in the Conference which the British hope can be convened this year. Fujii promised to do so.

In today's discussions British views, it should be pointed out, were at times clarified and elaborated as the result of our questions or observations.

BINGHAM

500.A15A5/499 : Telegram

The Ambassador in the United Kingdom (Bingham) to the Secretary of State

LONDON, October 1, 1935—6 p. m.
[Received October 1—12:50 p. m.]

486. With today's discussion, reported in my 485, October 1, 5 p. m., no appointment has been made for further conversations pending fresh instructions.

[75] League of Nations, Conference for the Reduction and Limitation of Armaments, Geneva, 1932: *Journal; Records of the Conference*, Series D, *Minutes of the Naval Commission*, vol. II, p. 85.

With reference to paragraph 2 of the Department's 277, September 30, 7 p. m. the statement of United States Government policy last autumn was not "reminded" to the British for purposes of discussion but to correct certain assumptions they advanced in connection with last autumn's negotiations.

In the discussion regarding 14-inch guns, once we had stood for maintaining substantially present maximum battleship displacement, we only subsequently touched on the possibility of limiting the number of 14-inch guns. Until we had ascertained the general British attitude to such limitation we purposely left the number indefinite at the first figure that arose in the conversation, as reported "say, 12". Had the British indicated their concurrence with the principle of limiting the number of guns it was our intention gradually to approach the figure named in the Department's instructions without making it apparent that it was in any way a figure significant to us. It was believed, without British acceptance of this general proposition, proposal by us of a definite "limitation to a battery of nine 14-inch guns" might merely have indicated to the British a further point for trading.

BINGHAM

500.A15A5/504 : Telegram

The Ambassador in the United Kingdom (Bingham) to the Secretary of State

LONDON, October 10, 1935—6 p. m.
[Received October 10—3:42 p. m.]

508. Last evening Foreign Office requested Atherton and Anderson to call today to receive a communication from Craigie. Danckwerts also present. Craigie reminded that all statements and observations made in these discussions were of course tentative, particularly in view of the changing and undefined European situation.

Craigie then referred to the tentative suggestion previously reported in my 478 of September 27, 5 p. m. that after 1936 England and the United States each construct two capital ships of present allowed maximum characteristics, and thereafter reduce gun calibres to 14 inches. He stated that upon reflection the British had come to the conclusion that by doing this the naval situation might be saddled with a competitive renewal of the construction of 15-inch or even 16-inch guns which it might not be possible subsequently to arrest.

Craigie stated that therefore the following was the British view:

First, that, subject to American and Japanese concurrence, there should be no new United States, British or Japanese construction whatever with guns larger than 14 inches but that the first two capital ships could be of the present allowed individual maximum displacement; second, that the British would urge the French and Germans to

keep down to 14-inch calibre the guns of the capital ships they are now building, although it was too late to get the Italians to do this; third, that if this could be accomplished there would then be only two post-treaty capital ships in existence with guns larger than 14-inch, that is, the Italian ones, but if it could not be accomplished, there will then only be two such vessels for each of the three countries, Italy, France and Germany; fourth, that, in any event, all capital ships subsequent to the two now buiding or scheduled in each of the three before-named countries should be limited to 14-inch guns.

Craigie emphasized that this communication to us was very confidential and if disclosed would weaken their hand in pressing the French and Germans to keep down to 14-inch guns. The British stated that while they acquiesce that each of the first two capital ships to be built by each of us should be of present allowed maximum tonnage, they hope that later ones can be of less tonnage according to their views previously expressed.

The British observations this morning as elaborated by them have cleared up the British view regarding two definite points mentioned in Department's No. 261 of September 19, 6 p. m. Danckwerts stated, referring to tentative building programs discussed when Admiral Standley was here, that figures mentioned by the First Lord and Admiral Standley were illustrative only, and both Craigie and Danckwerts today made it clear that at the present moment, particularly with the Japanese attitude undefined, it is the British view that it is impracticable to discuss any quantitative limitations now, even such as building agreements, but stated their belief that when the time for such discussion came Britain and America would have no difficulty in coming to a satisfactory mutual agreement.

The British also made it clear that the Admiralty is definitely opposed to the principle of limitation in number of major calibre guns in capital ships, particularly as Danckwerts added the United States seemed not likely to agree to more than two or three thousand tons reduction in capital ship displacement. As an academic illustration mention was made of the fact that the *Nelson* class have as few as nine major calibre guns and it ensued from the exposition of the British view that the British are not interested in a limitation by the number of guns of a number even as small as nine. In other words, the British Admiralty evidently cannot concur in the advisability of that general method of limitation.

As indicating progress made toward arranging a naval conference this year, the British stated that the Italian Ambassador had recently confirmed that Italy will send delegates for bilateral talks with the British with a view to a conference this year. Craigie stated no definite advance had been made in getting the French to come to bilateral talks but that he believed when a date for the conference was set the

French would send delegates for preliminary bilateral discussions. Craigie indicated that there was no recent official information from the Japanese replying to representations he had urged the Japanese Chargé d'Affaires to make to his Government, that is, as to whether the Japanese will come to the naval conference.

The British asked us whether we had received instructions enabling us to state the American viewpoint regarding various questions raised at our former discussions. They were told no. For the Department's convenience, the subjects of previous requests for instructions are here recapitulated, viz.: age of capital ships, British proposal 26 years; also minimum size for capital ships, British proposal 20,000 tons; also maximum characteristics for aircraft carriers, British memorandum proposed 22,000 tons, 6.1-inch guns.

BINGHAM

500.A15A5/505 : Telegram

The Ambassador in the United Kingdom (Bingham) to the Secretary of State

LONDON, October 11, 1935—1 p. m.
[Received October 11—9 : 10 a. m.]

511. Japanese Chargé d'Affaires called this morning, obviously to check recent Foreign Office statements to him. I discussed with him at length the contents of Department's 284, October 3, 7 p. m.[76] Commenting on the possible attitude of his Government, he pointed out that if Japan did accept invitation to a conference this year it had already been decided that Ambassador Matsudaira would not return to London in time for him to head the Japanese delegation.

In discussing the above conversation with Craigie, he laid stress on the fact that while the British were agreeable to qualitative limitation for the long term, and for the sake of reaching an international agreement in present day circumstances, were prepared to accept quantitative limitation even for a short period, the British Government would not favor short term qualitative limitation.

BINGHAM

500.A15A5/497 : Telegram

The Secretary of State to the Ambassador in the United Kingdom (Bingham)

WASHINGTON, October 14, 1935—6 p. m.

300. Following is reply prepared by Navy Department and concurred in by this Department, to your No. 478 September 27, 5 p. m.,

[76] Not printed.

482 September 28, 1 p. m., 485 October 1, 5 p. m., 486 October 1, 6 p. m., and 508 October 10, 6 p. m.:

"This dispatch is intended as an analysis of and conclusive statement based upon the positions, proposals, and suggestions transmitted in your 478, 482, 485, 486, and 508. The substance of this dispatch should be presented in direct terms to the British, avoiding tentative methods of approach which imply a basis for trading, inasmuch as due to shortness of time we consider it essential to present a final unequivocal position to which we hope a definite and comprehensive statement can be returned.

With regard to capital ships, we can agree with the British suggestion made in your 508 that, subject to British and Japanese concurrence, 'there should be no new United States, British or Japanese construction whatever with guns larger than 14 inches but that the first two capital ships could be of the present allowed individual maximum displacement'. We concur in their additional comment as to accomplishing an understanding on capital ships involving France, Germany, and Italy. We note with approval your statement of procedure and the reasons therefor set down in the last paragraph of your 486.

We are in general accord with the British proposal for a minimum displacement limit for capital ships at approximately 20,000 tons. We see no objection to the proposed maximum of 22,000 tons with 6.1-inch guns for aircraft carriers.

We make the following comment on your 485: As part of a comprehensive accord on cruisers we may agree not to build. at the present time, 8-inch cruisers except as replacements of the 18 existing ships. Our action as to any increase in 6-inch gun cruisers must be contingent on acceptance of a transfer system which will permit the United States to distribute any category (*b*) cruiser tonnage in excess of present limitations among other types as needed by us. We stress a general solution of the cruiser problem with moderate transfer clauses because we deem such a solution more susceptible to acceptance by other nations.

We concur in the British statement made in 508 that 'when the time for such discussion came Britain and America would have no difficulty in coming to a satisfactory mutual agreement'.

We see the logic of the British objection to present treaty qualitative limitations of destroyers but feel that the same end may be gained by arranging for limited transfer between cruisers and destroyers under the method referred to above. We appreciate also the desire of Great Britain for 50,000 tons of over-age destroyers; unfortunately, however, this increase if unrelated to or not included in the desired cruiser increase results in still further increase of total tonnage. We consider that no distinction should be made between over-age and under-age tonnage in any category and that the question should be answered by necessary category increases or, in emergency, by utilization of escape clauses. We do not favor reduction in present characteristics of submarines and consider reduction of that category tonnage as the only feasible method of limiting submarines. We concur generally in the British attitude as to the relationship of destroyer tonnage to submarine tonnage. We suggest for considera-

tion as a means of influencing reduction of submarine tonnage an allowance at a high ratio, for example, three to one, of destroyer tonnage for purposes of defense against submarines on the part of nations who desire to reduce their allowed submarine tonnage.

We have noted the British mention of Article 19 of the Washington Treaty and agree that this is not a subject for discussion at this stage. We concur generally in their statement regarding 'items from existing naval treaties'; also the statements concerning the reciprocal notification. We concur in the British view as to London Treaty, Part 4, submarine warfare. We concur in the British suggestion of an age limit of 26 years for capital ships."

HULL

500.A15A5/506 : Telegram

The Secretary of State to the Ambassador in the United Kingdom (Bingham)

WASHINGTON, October 16, 1935—5 p. m.

303. Your 520, October 16, noon.[77] Following from Navy:

Sentence beginning "we see the logic" [78] refers to paragraph 4 of your 485 [79] beginning "Regarding destroyers". We indicate in the sentence referred to that we will consider any proposal British may make to end difficulty in which they find themselves in respect to qualitative limitations of destroyers, suggesting in the same sentence a general method of solution by transfer between destroyer and cruiser (*b*) categories.

HULL

500.A15A5/508 : Telegram

The Ambassador in the United Kingdom (Bingham) to the Secretary of State

LONDON, October 17, 1935—3 p. m.
[Received October 17—9 : 55 a. m.]

522. By appointment Atherton and Anderson called at the Foreign Office today and set forth the points of Department's 300, October 14, 6 p. m., which the British received with evident satisfaction. A précis of conversation was left, based on the Department's instruction (copies by pouch tomorrow [80]) and the British will seek another meeting shortly, after they have studied it, and formulated a précis of conversation for reply.

It was agreed that these précis of conversation would not constitute an "exchange of written official papers or memoranda".

BINGHAM

[77] Not printed.
[78] Department's telegram No. 300, October 14, 6 p. m., paragraph 7, *supra*.
[79] October 1, 5 p. m., p. 120.
[80] Embassy's despatch No. 1760, October 17, not printed.

500.A15A5/510

Memorandum by the Secretary of State

[WASHINGTON,] October 18, 1935.

The Japanese Ambassador called and handed me a statement, attached hereto, which he said was a copy of the reply of his Government to the British Government on the question of naval disarmament. I especially thanked him for his courtesy in giving my Government the benefit of this information, and requested him sincerely to thank the Foreign Minister of his Government. I added that, of course, I would be glad and was ready to reciprocate in every way at all times.

C[ORDELL] H[ULL]

[Annex]

Oral Communication Made by the Japanese Chargé in the United Kingdom to the British Government, October 18, 1935

The Japanese Government highly appreciate the efforts the British Government are exerting toward the conclusion of an agreement on naval disarmament.

It is the opinion of the Japanese Government that the true key to the maintenance and promotion of world peace can be discovered only when Powers mutually give full consideration to one another's vital needs and natural requirements, and when they carry out a thorough limitation of armaments in such a way as to make a state of non-menace and non-aggression prevail among them; and that great Powers, therefore, should be the first to strive unremittingly in these directions in order to forward the cause of peace. The fundamental policy of the Japanese Government regarding naval disarmament is as was set forth by the Japanese delegates at the Preliminary Naval Conversations, and it has no other object than the realization of such a thorough-going scheme of naval limitation.

In the light of this, the Japanese Government find it impossible to accept a plan for mutual declaration of building programmes such as was suggested by the British Government at the London Preliminary Conversations, because even if the proposed period should be set at six years, or reduced even further, the scheme, unless a common limit is fixed to naval strength which no Power may exceed, would result in a continuation in substance of the ratio system, and cannot be considered as being effective in order to achieve the real aim of disarmament.

The Japanese Government have stood for the total abolition of, or a drastic limitation within, types of such high offensive power as aircraft-carriers, capital ships, and A-class cruisers; they still recognize

the need of a sweeping qualitative limitation of this nature. However, no qualitative limitation will produce the desired result unless it is undertaken simultaneously with quantitative limitation.

Moreover any qualitative limitation unaccompanied by quantitative limitation would only prove to be a convenient means of preserving the existing relationships in naval strength among Powers. The Japanese Government cannot therefore agree to such a plan. They hope that the Governments of the Powers concerned will take these points into careful consideration.

The Japanese Government desire to declare that they sincerely hope for further free and frank exchanges of views among Powers and a swift conclusion of an equitable agreement that will secure the foundation of world peace, and also that they are prepared to do everything in their power toward the attainment of that end.

500.A15A5/512 : Telegram

The Ambassador in the United Kingdom (Bingham) to the Secretary of State

LONDON, October 24, 1935—4 p. m.
[Received October 24—12 : 40 p. m.]

535. My 530, October 21, 5 p. m.[81] An official invitation received today from His Majesty's Government, in view of the express provisions of article 13 of the Washington Naval Treaty and of the corresponding article of the London Naval Treaty, for a conference to meet in London on the 2d of December. I am requested to state as soon as possible whether the United States Government is prepared to be represented at the proposed conference. Text by the pouch.

The last paragraph of the invitation reads:

"I have the honor at the same time to suggest that it may prove convenient to all concerned and may serve to keep the size of each delegation as small as possible if Your Excellency's Government and the Governments of France, Italy and Japan were to be represented by their Ambassadors in London. It would furthermore be very desirable that there should be present at the conference from the outset naval representatives or advisers of sufficient rank to speak authoritatively on behalf of their respective Governments." [82]

Foreign Office has already informed press that these invitations have been issued to the treaty powers. I understand that the Italian and French Governments will be sending representatives for bilateral discussions in the early future.

BINGHAM

[81] Not printed.

[82] For full text of the invitation, see *Foreign Relations*, Japan, 1931–1941, vol. I, p. 278.

500.A15A5/512 : Telegram

The Secretary of State to the Ambassador in the United Kingdom (Bingham)

WASHINGTON, October 24, 1935—7 p. m.

313. Your 535, October 24, 4 p. m. You are authorized to inform the British Government that this Government accepts the invitation to be represented at a conference to be held in London on the 2d of December [83] pursuant to the provisions of the Washington and London naval treaties.

Please cable full text of the British Government's communication with the exception of the last paragraph quoted in your telegram under reference.

HULL

500.A15A5/512 : Telegram

The Secretary of State to the Ambassador in the United Kingdom (Bingham)

WASHINGTON, October 24, 1935—9 p. m.

315. Department's 313, October 24, 7 p. m. When conveying to the British Government our acceptance of their invitation, you should inform them that of course we are accepting on the assumption that the British agreed to the position taken in our last cable giving the Navy Department basis for agreement [84] and also, notwithstanding the fact that it may not be possible to agree now on quantitative limitations, that it is still to be understood that we both agree on the principle of naval parity as between the United States and the British Empire.

HULL

500.A15A5/513 : Telegram

The Ambassador in the United Kingdom (Bingham) to the Secretary of State

LONDON, October 25, 1935—11 a. m.
[Received October 25—8 a. m.]

536. Department's 313, October 24, 7 p. m. Following is text of first paragraphs of invitation dated October 24:

[Here follows text printed in *Foreign Relations*, Japan, 1931–1941, volume I, page 278.]

I propose to answer this invitation by a formal note based on the first paragraph of Department's 313, October 24, 7 p. m. and failing

[83] By subsequent agreement among the interested Governments, the opening date of the Conference was fixed at December 9, 1935.

[84] See Department's telegram No. 300, October 14, 6 p. m., p. 125.

immediate instructions to the contrary, in delivering this written reply I assume it is the Department's purpose that I convey orally the substance of the Department's 315, October 24, 9 p. m.

The British précis of conversation referred to in my 522, October 17, 3 p. m. not yet received.

BINGHAM

500.A15A5/513 : Telegram

The Secretary of State to the Ambassador in the United Kingdom (Bingham)

WASHINGTON, October 25, 1935.

316. Your 536, October 25, 11 a. m. As a precaution, we feel we should have had a reply to our 300, October 14, 6 p. m. You may indicate informally to the British Government that we intend to accept but before delivering formal acceptance we want to be sure no important preliminary questions are pending.

For your own information, we assume of course that the British are in agreement with us or they would not have issued the invitation. In view of the British statement that they wished a meeting of minds with us before calling a conference, we would like to clarify the situation with regard to the bases of agreement in our 300, October 14, 6 p. m., and the points raised in our 315, October 24, 9 p. m. before formal acceptance.

HULL

500.A15A5/512 : Telegram

President Roosevelt to the Ambassador in the United Kingdom (Bingham)

WASHINGTON, October 25, 1935—7 p. m.

317. On my return I find British invitation for formal five party naval conference, December 2d. This as I understand it is not a mere continuance of recent conversations which were handled through normal diplomatic channels, but seeks to arrive at an agreement and actually to sign a multilateral treaty. In view of this I cannot quite understand the British suggestion for representation of each nation solely by its ambassador to London, because in all similar precedents each nation has been represented by a special national delegation. Can you give me information or side-light on this; also on newspaper report that British dominions will be represented at conference; also any information as to who will represent Japan, France and Italy? Has it been made clear to British prior to our acceptance that they

agree to the stipulations in our cables Nos. 300, October 14, 6 p. m. and 315, October 24, 9 p. m. on naval details.

ROOSEVELT

500.A15A5/517 : Telegram

The Ambassador in the United Kingdom (Bingham) to the Secretary of State

LONDON, October 28, 1935—7 p. m.
[Received October 28—4:05 p. m.]

541. Your 300, October 24 [*14*], 6 p. m.; and 315, October 24, 9 p. m. The following "précis of conversation" was communicated by the Foreign Office this afternoon. It refers to the enclosure of my despatch 1760, October 17th.[85]

"The following is a précis of the statement made by the British representatives at their meeting with United States representatives on October 28th in reply to the précis of the statement made by the United States representatives at the meeting of October 17th. (The references which follow are to the paragraphs of that précis.) Paragraphs 2, 3, 4, and 5. The British view is in agreement with that expressed by the Government of the United States. (This is without prejudice to the view which has been consistently held by His Majesty's Government that lower qualitative limits for the capital ship would have been preferable had it been possible to secure international agreement for them.)

Paragraph 6. The British suggestion for a minimum displacement limit for capital ships at approximately 20,000 tons must be understood as a purely tentative one. The object, with which it is understood the United States of America Government is in agreement, is to implement a cruiser qualitative limitation by preventing the construction of ships in excess of that limitation which are, nevertheless, not capital ships.

Paragraphs 7 and 8. The British views are in agreement with those of the United States Government.

Paragraph 9. Since no existing modern 8-inch gun cruisers become over-age for a very considerable period, the British Government would be prepared to accept a general agreement not to build 8-inch gun cruisers at the present time, without prejudice to the question of the ultimate replacement of the existing ships.

Paragraphs 10, 11, 12*a*, 12*b*, and 13. Since there is no prospect whatever of an agreement on quantitative limitation by total tonnages in categories, the matters discussed in the five following paragraphs are, in the British view, somewhat academic. Subject to this consideration, however, the following remarks are offered.

Paragraph 10. The British representatives cannot offer any useful comment on the American Government's proposal for a transfer system for solving the cruiser tonnage problem, since its acceptability must depend principally on the actual amount of transfer to be proposed and the categories into which it would be proposed to transfer. The

[85] Not printed; see telegram No. 522, October 17, 3 p. m., p. 127.

British view has always been that transfer into higher categories from a lower and transfer into the submarine category are generally undesirable.

Paragraph 11. Though the present Japanese attitude, so far as we know it, is opposed to any arrangement for an agreement limiting naval construction by means of unilateral declarations for 6 years, it is still the intention of the United Kingdom Government to put forward this proposal for discussion in London, and only to abandon it if it is definitely rejected after further discussion.

Paragraph 12*a*. In the British view, it would be unfortunate if the American Government insisted on the view expressed in this paragraph that over-age and under-age tonnage must all be counted together. In particular, the over-age destroyer tonnage which the United Kingdom Government have in mind is only necessary for anti-submarine purposes, and to have to provide this tonnage in under-age destroyers would be unnecessarily expensive. A more satisfactory solution, from the British point of view, would be reached if all over-age tonnage were excluded from any future quantitative agreement. By this means the limitable fleets could be confined to under-age tonnage and the rate of replacement construction would be correspondingly reduced.

Paragraph 12*b*. While the United Kingdom Government see no objection to seeking a general solution of the problem of destroyer qualitative limitation by means of limited transfer, their information is that neither the French nor the Italian Government have any intention of admitting a distinction between the cruiser B, and destroyer categories. So long as other signatory powers refuse to admit this distinction, the United Kingdom Government must themselves refuse to be bound by it.

Paragraph 13. In the absence of any prospect of quantitative limitation by total tonnages in categories, a ratio between the submarine and destroyer tonnage remains an academic matter. The British view would probably be that, in negotiating figures to be inserted in the treaty, it would be undesirable to adopt a definite numerical ratio of this kind. If, however, the proposal were directed toward transfer between the two categories, within tonnage limits which had been agreed for insertion in a future treaty, there would be less objection to a hard and fast ratio.

Paragraphs 14, 15, 16, and 17. The British views are in agreement with those of the Government of the United States."

The British stated that they agreed that the principle of parity as between the British and American Navies should be continued unimpaired. This was a reiteration of a voluntary and previous statement to this effect made by them on October 17 when they stressed their desire and understanding that nothing would in any circumstances be done by either country to disturb the continuance of the principle of parity. Referring to the prospective conference, the British stated that they were informed by the Japanese Chargé that if an attempt were made to proceed at the outset with qualitative limitation, they would come up against a blank wall, and that therefore it would be necessary first to undertake arriving at an agreement on quantitative

limitation at the same time as qualitative even though this should prove unsuccessful. The British indicated their belief that then the Japanese would be prepared to discuss qualitative limitation. Referring to the British proposal for an agreement limiting naval construction by means of unilateral declarations for 6 years, the British expressed the belief that this would probably be opposed by France and Italy, as well as by Japan. It is evident the British feel there is slight prospect of any agreement on quantitative limitation. In referring to the continuance of the principle of parity as between Britain and America, the British stated that if there were no other quantitative agreements parity should nevertheless continue, and that probably the only feasible way to assure it would be for a full, complete, and frank interchange of information between the two countries as to prospective and actual naval building. They referred to the importance of a possible agreement by all nations to give such advance notice even though no other quantitative agreement could be arrived at. They also stressed the importance of a continuance by the Japanese and other countries of such notification of contemplated building as is required by existing treaties, should no other quantitative agreement be possible. BINGHAM

500.A15A5/518 : Telegram

The Ambassador in the United Kingdom (Bingham) to the Secretary of State

LONDON, October 28, 1935—8 p. m.
[Received October 28—6 : 50 p. m.]

542. Personal for the President. The following are entirely British views authoritatively recounted to me and are transmitted in reply to your inquiry (No. 317, October 25, 7 p. m.).

In the British view, the projected Naval Conference, the initiative for calling which was left with the British and the convening of which they consider mandatory under the Washington and London Naval Treaties, is an expedient dictated by these and other circumstances. The British obviously do not expect that this conference will achieve important positive results. They regard it rather in the nature of a rearguard action to salvage as much as possible of the benefits of the terminating treaties, and as a means of permitting a continuation of recent conversations under the terms of reference of the treaties which expire on January 1, 1936,[85a] thus preventing the Japanese from escaping from this treaty obligation and only entering into any new con-

[85a] See London Naval Treaty signed April 27, 1930, article 23, *Foreign Relations*, 1930, vol. I, pp. 107, 123–124.

versations after January 1, 1936, under conditions which they themselves impose. While some measure of qualitative progress may be made, any quantitative agreement is by no means expected to go beyond the French *préavis* thesis, and in this latter eventuality the British would not be willing to tie themselves up for more than 6 months. They do not expect that the Japanese will make a formal agreement even on such a limited quantitative basis as this. However, if the Japanese will agree even to continue notification as required by existing treaties, the British would regard that as a positive contribution.

I am informed that the considerations which commended themselves to the British in suggesting that the discussions be conducted under diplomatic auspices are as follows:

(1) This routine method of handling the question would reduce to a minimum false hopes of extensive accomplishments;

(2) It is expected that the discussions may be protracted, and this routine method will in the British view, permit a minimum of publicity. The Conference will open on December 2nd and after a series of meetings will adjourn for the Christmas holidays. The interval before a formal reassembly of the Conference will permit a continuance of recent conversations, mainly arising out of the Anglo-German Naval Agreement. Consultations with other European naval powers, such as Germany and Russia, may even at some point be considered desirable.

(3) In view of public opinion in Japan it would be difficult for the Japanese Government to send a national delegation. Although the Japanese Government has not formally accepted the invitation, Hirota [86] has informed the British Ambassador in Tokyo that if Ambassador Matsudaira does not reach London by December 2, the Japanese Ambassador in Paris will take his place temporarily.

(4) In view of the Italian crisis, the British consider the routine method the more desirable, particularly because of the limited results anticipated.

Important publicity in the British view was justified in the other naval conferences where the possibilities of achievement were far greater than in the present instance. The method suggested by the British would not, in their view, in any way prevent the visit to London of the Cabinet Ministers of the respective Governments for consultation, if during the course of the conference the deliberations, particularly from a European angle, assume unforeseen importance. Thus, while I am given to understand that the French Ambassador will head the French delegation, this does not shut the door to the possibility that the French Minister of Marine might, if circumstances require it, make a flying visit to London for discussion and clarification of the issues involved in the British-German-French naval question. I also understand that the High Commissioners of the Dominions in London may, in their Governments' decision, attend the formal

[86] Koki Hirota, Japanese Minister for Foreign Affairs.

meeting. No further reply has been received from the Italians beyond their statement of a fortnight ago that they would attend a conference.

The foregoing are British views on which I have no comment to make; but as regards the general subject of naval negotiations, it has been my personal attitude for the last 18 months that it would prove unprofitable to us to attempt to force issues or the pace, and subsequent events have not seemed to indicate that a revision of this attitude is now called for. If, as I understand it, we are definite as to our position, and there is no reason why we cannot, if necessary, announce our position at any time, then I feel that at this juncture it would be a mistake from more than one point of view to give the appearance that we are prepared to negotiate concessions when in fact we are determined—and I think rightly—to hold to our main purpose.

My 541, October 28, 7 p. m., makes it clear that we have now for all practical purposes reached complete agreement with the British on the stipulations contained in the Department of State's cables Nos. 300, October 14, 6 p. m., and 315, October 24, 9 p. m., on naval details.

Furthermore, it will be noted that the British particularly stress in their reply their concurrence in the principle of parity. I have also forwarded to the Department of State a copy of a memorandum of conversation [87] indicating that Mr. MacDonald's assurances of last year to me on ratios remain the policy of Mr. Baldwin's Government. Thus, we are in substantial agreement both as regards principle and relevant details.

Incidentally if, as is expected, the National Government is returned to power, its mandate for rearmament will greatly strengthen Great Britain's hand in its dealing with Japan. It will at the same time, in due course, force Great Britain to take a more active attitude, vis-à-vis Japan on naval questions. If we bide our time we will not be singled out for Japanese antagonism and Japan will have the benefit of knowing that absolute abandonment in practice of the ratio system will meet resistance from not one but both interested parties.

BINGHAM

500.A15A5/526 : Telegram

President Roosevelt to the Ambassador in the United Kingdom (Bingham)

WASHINGTON, November 1, 1935—3 p. m.

325. The question of our representation in the forthcoming naval conference must be determined largely by how seriously the conference

[87] Report No. 777, July 26, from the Naval Attaché to the Navy Department, transmitted to the Department as an enclosure to the Embassy's despatch No. 1593, July 26, 1935, not printed (500.A15A5/449).

is to be taken by the British and ourselves, as well as the other governments concerned, and by what the aims and scope of the negotiations are to be and also the desire and prospects for ultimate agreement.

If the conference is being called by the British at this time mainly as a matter of strategy and in order to comply formally with provisions in the present treaties, but without much expectation of success or a determined effort to reach agreement on a new naval treaty to replace existing treaties, I agree that it would be unnecessary and perhaps inadvisable to send a special mission to London for this purpose. I also question the advisability in such a case of sending our highest ranking naval officers as advisers. On the other hand, if there is to be a serious effort on the part of the British as well as ourselves to negotiate and enter into a new naval treaty with Japan, and if possible other naval powers, which is most important in order to avoid a disastrous naval race, there are controlling reasons for designating a special national delegation to negotiate and execute a multilateral treaty of such a nature.

I realize, of course, that there are certain disadvantages and embarrassments inherent in a formal Conference. I do not feel, however, that these difficulties can be avoided by calling a conference and then trying to make it appear as something else, and particularly if it is to result in a new multilateral treaty.

We have understood from your previous despatches that, while the British think there is little chance of agreement on quantitative limitation, they do state they intend at least to make an attempt in that direction and they do think there is a good chance of reaching agreements such as qualitative limitation and possibly building programs and various other problems involved. If they do not think this is possible and do not intend to make every effort to that end, it is difficult to understand why they would have assumed the responsibility of calling such a conference and why they would have indicated the possibility of extending the conference to include other naval powers. Moreover, I understand the Japanese are sending a special delegation.

I feel that we must not only make the greatest possible effort to negotiate a new naval treaty, but that we should in every way make our desire to do so manifest. While it is important that our public must not be led to expect too much from such a conference, it is equally important for us to do nothing that would make it appear that we are taking this naval conference casually and less seriously than we have taken previous naval conferences and thus run the risk of being blamed for failure.

In view of all the circumstances my judgment is that as a matter of principle and policy it is advisable to follow the well established precedent of appointing a special delegation to attend the conference and negotiate a treaty. From your own standpoint I frankly feel

that it would be inadvisable for you to assume, in addition to your many exacting duties and responsibilities as our accredited representative to Great Britain, the sole responsibility and burden of conducting the naval negotiations with all of the naval powers.

ROOSEVELT

500.A15A5/532

Memorandum by the Under Secretary of State (Phillips)

[WASHINGTON,] November 1, 1935.

I told the British Ambassador that I would be grateful to him if he would check with his Government with regard to one matter connected with the naval situation; I would not hand him a memorandum or even an *aide-mémoire* on the subject, but I would read to him a statement and give him a copy thereof so that he could use it if he so desired in communicating with his Government; I then read him the accompanying statement and handed him the paper. In doing so I said that I assumed there had been no change in the attitude of the British Government in this connection, but I would be glad to have an answer to the question merely for my own information.

The Ambassador said that he would be very glad to communicate at once with his Government on this subject.

WILLIAM PHILLIPS

[Annex]

Text of Statement Read to the British Ambassador (Lindsay)

The American Government would appreciate learning whether the information of the British Government confirms its own understanding that the principal claim advanced by Japan last year continue[s] to constitute the basic aim of that Power and is likely again to be put forward during the conference, namely, the claim for "a common upper limit" in such a form as to amount to an increase in the Japanese ratio and ultimately designed to bring about parity with the Fleets of the United States and the British Empire.

When this claim was brought forward by the Japanese Delegation during last year's conversations, it was the view of both the British and American Governments that, regardless of the form in which a quantitative agreement might be cast for the sake of meeting Japanese preoccupations, the two Governments must reject unconditionally the Japanese demand for parity, in whatever name and in whatever guise, and that they could not agree to a settlement which would in effect alter to the advantage of Japan the relative fleet strengths resulting

from the Washington and London Treaties. This Government continues to adhere to this position and intends to maintain it during the forthcoming conference. It would appreciate being informed whether it is correct in assuming that this is and will also be the position of the British Government.

500.A15A5/530 : Telegram

The Ambassador in the United Kingdom (Bingham) to the Secretary of State

LONDON, November 5, 1935—1 p. m.
[Received November 5—11:25 a. m.[88]]

553. Personal for the President. In your telegram 317, October 25, 7 p. m., you remind me that you have not been able to be in full touch with the naval situation here during your absence from Washington, or in other words, since the approximate time I discussed these naval matters with you on the White House veranda last September. During this interval exchanges on naval matters have taken place between the British Foreign Office and this Embassy, and have terminated for all practical purposes in a successful accord so that the British and American Governments are now in substantial agreement on naval matters, both as regards principle and relevant details. Later, I personally sought here authoritative information on the purposes and possibilities for the scheduled Naval Conference, and outlined them to you at some length in my telegram 542, October 28, 8 p. m., as requested in your personal message to me.

In view of the many conflicting considerations enumerated in your latest telegram, No. 325, November 1, 3 p. m., I feel in duty bound to set forth anew certain aspects of the question as of possible value to you in reaching a final decision.

With the new Foreign Secretary, Sir Samuel Hoare, under whose auspices the recent satisfactory naval conversations with this Embassy have taken place, and in the given circumstances, I see no adequate grounds for doubting the British statement to me that the projected Naval Conference, the initiative for calling which was expressly left with the British with American consent at the termination of last December's conversations, is convened (1) because the British Government considers it mandatory under the existing treaties, and (2) in order to salvage as much as possible from those treaties. At the same time, it is recognized that the inexorable facts of the situation are that the possibilities of salvage are small; that there is a conflict of policy between Japan on the one hand, and the United States and

[88] Telegram in four sections.

Great Britain on the other, so wide as to nullify any "serious effort on the part of the British as well as ourselves to negotiate and enter into a new treaty with Japan", unless we are prepared to make concessions which in fact would constitute a reversal of our national policies.

The Japanese Government has already made it clear that they are not prepared to consider quantitative limitation except under terms which would be unacceptable to the British and which we have consistently reiterated are unacceptable to us. Furthermore, the Japanese Government has stated in writing to the British Government, as already reported by me [89] (1) that they are unable to agree to consider only qualitative limitation apart from quantitative; and (2) that they are not disposed to consider the policy of announcing building programs as proposed by the British. Thus, although the Japanese have consented to come to the Conference, upon their own clearly declared platform, prospects of substantial accomplishments with them are practically hopeless. I can but assume that your public statement of September 29th stands,[90] and that we are not prepared to recede from our position regarding ratios with Japan. Consequently, with the elimination of the practical Anglo-American difficulties already achieved, there is in reality little that can be done as regards the three major naval powers at the forthcoming Conference except insofar as the Japanese will agree to maintain, voluntarily or otherwise, for a limited period, certain relatively minor aspects of those treaties.

Therefore, the negotiations at the forthcoming Conference will in practice develop mainly into a series of negotiations and exchanges of views between the European nations primarily with a view to preventing a naval race in Europe, and it is in this connection that Germany and Soviet Russia might at some point be consulted. While it is in my view important that the United States should be kept abreast of and fully informed of these negotiations, in practice I question whether it would be advantageous for us to be drawn into the detailed exchanges of views.

It is obviously in the British highest interest to exert all possible pressure to secure limitation of naval armaments among the European powers.

Therefore, with the above considerations in mind, I am in full accord with the first paragraph of your telegram No. 325, November 1, 3 p. m., that "the question of our representation in the forthcoming Naval Conference must be determined largely by how seriously the

[89] For text of the Japanese *aide-mémoire*, see p. 128.

[90] Presumably the President's statement made September 27, 1935, concerning the naval construction policy of the United States, *Public Papers and Addresses of Franklin D. Roosevelt* (New York, Random House, 1938), vol. 4, p. 379.

Conference is to be taken by the British and ourselves, as well as the other Governments concerned, and by what the aims and scope of the negotiations are to be, and also the desire and prospects for ultimate agreement". And with this as a promise, I am driven to the conclusion, which is in accord with that portion of your message, "that it would be unnecessary and perhaps inadvisable to send a special mission to London for this purpose". I do, however, feel that Admiral Standley's appointment is highly desirable, not merely as an adviser but as a delegate with such authority as he was given in the preliminary discussions of last autumn.

Since Ambassador Matsudaira cannot be in England for the early weeks of the Conference, and the Japanese Ambassador in Paris has asked to be excused from heading the Japanese delegation because he only speaks French, the Foreign Office informs me that the Japanese Government will send Admiral Nagano supported by former Ambassador Nakai to represent Japan. Since, however, the Japanese Government has pointed out, it will prove impossible for this Japanese representation to reach London by December 2d, I understand from the Foreign Office that the opening of the Naval Conference is to be postponed to a later date in December.

Since I am on the ground and have been responsible for the most recent negotiations with the British, it would seem that my knowledge of the subject and of the circumstances should be frankly and fully stated for your serious consideration. While my duties are exacting, they are not so confining or so exacting as to prevent me from giving the time, the thought and the effort required by such an important matter as our naval arrangements, especially since it constitutes at the present time the principal point of cooperative contact between my Government and the Governments to which I am accredited. I quite agree that our efforts at the Conference should be unrelenting and that any appearance of casualness on our part should be as assiduously avoided as the evoking of false expectations; but the fact remains that as regards the three major powers the prospects of repeating the substantial gains achieved by the Washington and London Treatties are little more than negligible.

For the first time in my life I find myself debating a course of action—in this case proposed not by me but by the British Government—which nevertheless may be open to a mistaken interpretation that I have some personal motive. The fact that I have in these circumstances defended such a course of action is an indication of the strength of my conviction that it is in the best interests of the United States. So important do I deem it that I am quite prepared to take the first available boat to the United States and discuss this situation with you personally, should you desire it.

BINGHAM

500.A15A5/531 : Telegram

The Ambassador in the United Kingdom (Bingham) to the Secretary of State

LONDON, November 6, 1935—10 a. m.
[Received November 6—4 : 45 a. m.]

555. The Foreign Office asks urgently information on the two following points:

1. With the concurrence of the interested Governments the Secretary General of the League of Nations was invited to send an official observer to attend the meetings of the London Naval Conference in 1930, naturally without the right of discussion or vote. The British Government thinks it desirable a similar invitation should be issued to the Secretary General on this occasion, but before approaching other powers concerned in the matter desires to know whether the American Government would be prepared to concur in this proposed line of action.

2. The British Government have received an informal indication on behalf of the American Government that it intends to accept the invitation to the Naval Conference (see Department's 316, October 25th) but asks whether it should be anticipated that a formal acceptance will be received by the British Government in time for the Foreign Secretary to publicly state those countries that have accepted in a speech he intends to make on November 9th.

I am informally advised by the Foreign Office that the Japanese Government has stated its representatives will not be able to reach London by December 2nd and that therefore the British propose to postpone the opening of the Conference until December 5th.[91]

BINGHAM

500.A15A5/531 : Telegram

The Acting Secretary of State to the Ambassador in the United Kingdom (Bingham)

WASHINGTON, November 6, 1935—5 p. m.

327. Your 555, November 6, 10 a. m.

(1) We interpose no objection to the British Government's inviting a League observer to the Naval Conference in the same manner and under the same conditions as in 1930.

(2) You are authorized formally to inform the British Government that the Government of the United States accepts the invitation to the Naval Conference.

PHILLIPS

[91] By agreement among the interested Governments, December 9 was fixed as the opening date of the Conference.

500.A15A5/539

The British Embassy to the Department of State [92]

In reply to the United States Government's enquiry,[93] His Majesty's Government in the United Kingdom desire to explain that the attitude which the Japanese Government may be expected to adopt at the forthcoming Naval Conference was defined in an oral communication made by the Japanese Chargé d'Affaires in London on the 18th October,[94] of which the substance was subsequently given to the United States Chargé d'Affaires. The terms of this communication were as set out in the annexed separate memorandum.

The attitude of His Majesty's Government towards the Japanese proposals remains as indicated to the representatives of the United States Government during the conversations which took place last year. The Japanese representatives were similarly informed of the attitude of His Majesty's Government towards their proposals, particular emphasis being laid on the special responsibilities devolving on the United Kingdom as a result of the deterioration of the political situation in Europe and increased building by many European Powers.

500.A15A5/550a : Telegram

President Roosevelt to the Ambassador in the United Kingdom (Bingham)

WASHINGTON, November 18, 1935—6 p. m.

343. Since talking with you I have reviewed and given every possible consideration to all the aspects of the many questions involved. I have of necessity come to the following conclusions, largely because of my own personal familiarity with the great technical and political difficulties involved.

The coming session includes even more greatly than previous sessions the naval relations between many and perhaps all important naval powers, and goes far beyond naval relations purely between the United States and Great Britain. Evidence of this is furnished by the character of the national delegations being sent to the Conference by Japan, by France, and possibly other nations.

Since June, 1934, we have maintained continuously a special group or delegation dealing particularly with naval questions. The forthcoming Conference is a definite continuation of the general negotiations on Naval Limitation which were carried on last Fall. The American group has kept in close touch with the world aspect, in

[92] Handed to the Under Secretary of State by the British Chargé, November 7, 1935.

[93] See memorandum by the Under Secretary of State, November 1, p. 138.

[94] For text of oral communication, see p. 128.

addition to the diplomatic negotiations which you have had with the British preparatory to this coming Conference.

For technical reasons, but especially because of the political world questions which undoubtedly will play an important part in the Conference, I have decided to make no change in the delegation or mission which went to London last Fall, with Norman Davis as the head of the delegation, and Admiral Standley as a delegate except that in thinking over your suggestion about sending Phillips to the Conference I have decided to send as an additional delegate the Under Secretary of State, who has worked actively with the group here in order that he may become personally acquainted with the problems as they are brought out during the earlier days of the Conference. He will, as soon as this is accomplished, return to Washington in order that I may have personally a complete and up-to-date picture, and in order that subsequent liaison may be facilitated.

I agree with you that under the circumstances it would not be entirely appropriate for you, as my Ambassador to Great Britain, to be a member of the delegation, since the delegation will have to carry on multilateral negotiations involving not only technical questions, but also political aspects of our relations with several other powers besides Great Britain, these powers including Japan and the Pacific field. Furthermore, in view of the British situation and its close relation to the Italian-Ethiopian war, I want you to be footloose.

I need not tell you how greatly I appreciate the services you rendered in the preliminary diplomatic discussions with the British preparatory to this conference and even though you are to be independent of the delegation I am sure that Mr. Davis and the other delegates can count upon your counsel and helpful cooperation particularly in their relations to the British Government.

ROOSEVELT

500.A15A5/564

Memorandum by Mr. Noel H. Field of the Division of Western European Affairs of a Meeting Held November 19, 1935, at the Executive Office of the White House

[WASHINGTON,] November 23, 1935.

Present: The President.
The Secretary of State.
Mr. Norman H. Davis.
Mr. William Phillips.
Admiral William H. Standley.
Mr. James Clement Dunn.
Captain Ingersoll.
Commander Schuirman.
Mr. Noel H. Field.

Mr. Davis began by explaining that he did not desire to take the President's time in a discussion of technical naval questions since we had discussed these from time to time with him and since they had been dealt with rather thoroughly in our bilateral conversations with the British, but that he did want to discuss the more fundamental questions. Mr. Davis then read out a brief memorandum (a copy of which is attached), summarizing the present situation and the main points of the American position. The President indicated his approval of the individual points in this memorandum, with certain comments and exceptions which may be summarized as follows:

On the basic issues of Japanese claims for a common upper limit, for an increased ratio, and for the abolition of capital ships, aircraft carriers and cruisers A (paragraph 2 (*e*) and (*f*)), the President confirmed the position heretofore taken by the United States that these claims are unacceptable and that no concession or compromise can be made concerning them.

With respect to paragraph 2 (*g*) and (*h*), Mr. Davis pointed out that, on the one hand, our Navy was inclined to consider Great Britain's insistence on additional cruisers sympathetically, bearing in mind British responsibility throughout the world; on the other hand, our Naval Experts are convinced that it would be extremely difficult to compensate for increases in cruiser tonnage by reductions in other categories. Admiral Standley said the United States had been in the undesirable position in the past of attempting to prove to the British that they did not need what they claimed they needed. The President agreed we should not try to determine British requirements; nevertheless, he did not feel that the American people would approve of a treaty which simply increased existing theoretical limits. He suggested as a compromise that the cruiser increase might be absorbed at least in part by reductions in other categories, for instance, by reduction of the number of capital ships from 15 to 13. This would reduce the total theoretical capital ship tonnage for the British Empire and the United States by 70,000 each, or approximately half the proposed increase in cruiser tonnage. A further gradual reduction might be brought about through reducing the unit displacement of future capital ships by some 2,500 tons. The President said that he would agree to a treaty giving Great Britain the increased cruiser tonnage she needs providing about 50% of this increase can be absorbed in other categories and the resulting increase in total tonnage can be held down to about 75,000 tons. All present at the meeting agreed that the President's suggestion provided the most hopeful basis for a constructive solution of the problem.

With respect to the question of qualitative without quantitative limitation (point 3 of the memorandum), it was brought out that to

admit the possibility of our agreeing to this method at the outset might remove the incentive for any further quantitative limitation now or in the future. Great Britain's primary interest is in qualitative limitation and if she can get it, she will be quite satisfied to go along indefinitely without any restrictions on quantity. Nevertheless, some form of qualitative limitation appears to be the best that can at this time be hoped for in the way of a multilateral treaty. Mr. Davis therefore felt that the Delegation should be authorized, after making every attempt to obtain as much quantitative restriction as possible, to agree to qualitative limitation even without quantitative limitation. The President agreed.

As regards a possible bilateral treaty between the United States and Great Britain (paragraph 5), the President considered a treaty between these two Powers alone as politically undesirable, although he would not object to a trilateral or quadrilateral treaty without Japan. It was the President's view that any agreement with Great Britain alone should be embodied in non-contractual form. After discussion of the possibilities of such methods as joint declarations or unilateral, simultaneous declarations, the President thought it might be better just to have an exchange of notes which might be published. This exchange might include something along the lines of the statements made last August by Craigie to Atherton, namely, an agreement on the established principle of Anglo-American parity and on the intention of both Powers to maintain, in substance, the 5–5–3 ratio.

Mr. Davis then went over some of the subsidiary questions which might come up at London, as embodied in the draft questions and answers previously prepared in the Department.

On the question of political cooperation with Great Britain, the President approved the Department's draft formula which reads as follows:

"It is possible that the British Government may again bring up the thought that some form of agreement for Anglo-American political cooperation, particularly in the Far East, might be a determining factor in Great Britain's attitude toward naval limitation. The Delegation should repeat the position taken in the conversations a year ago, namely, that any agreement of this sort is out of the question. On the other hand, the Delegation may emphasize the inevitable and growing community of interests of the British Empire and the United States throughout the world and particularly the Far East (maintenance of treaties and rights accruing thereunder, stabilization of political and economic relations, maintenance of Open Door, opposition to expansion by means of military aggression, et cetera). From this community of interests, it would appear evident that despite the absence of any mutual commitments, the United States and the British Empire are likely, in their own interests and in the interests of the community of nations, to follow, in general, a parallel, though independent policy, notably in the Far East."

Mr. Davis emphasized the importance of the question of overage tonnage which has to be scrapped in accordance with the Treaties before the end of next year. The British, he pointed out, are determined to retain their large overage cruiser tonnage and, in his opinion, they would, if we did not come to an agreement to permit their retention, invoke the escalator clause for the purpose of saving these cruisers. Admiral Standley was of the opinion that the United States should not consent to the retention of overage tonnage in excess of Treaty totals since, to do so, would, in practice, amount to a change in the Treaty ratios. The President made the suggestion that the parties to the Washington Treaty might agree, in view of the special situation in the Mediterranean, to extend the time limit for scrapping overage tonnage by six months or one year. This would give time for a reconsideration of the problem at a later date. This suggestion was not further pursued, however, when it was pointed out that it would amount to our proposing the abandonment now of a vital provision of the London Treaty, and the President agreed that it would be virtually impossible for the United States to consent to alter the scrapping provisions of the Treaty by agreement without jeopardizing the position of the United States.

The President inquired as to the status of the global tonnage idea and Admiral Standley explained that, in addition to France, it was possible that Japan might support a global tonnage limitation on the basis of a common upper limit. The President wondered whether a global quantitative limitation, combined with qualitative provisions, might not be acceptable to us. Admiral Standley explained that any form of global limitation would work out to the disadvantage of the large naval Powers, since it would enable the smaller Powers to concentrate their building in the smaller and cheaper units and the larger Powers would have to freeze a portion of their global allotment in types of ships designed to counteract this building instead of in types essentially required by fleet needs.

The question of fortifications in the Pacific was discussed at some length but without any definite conclusion, although the consensus appeared to be that it might be advantageous to continue the non-fortifications provisions in any multilateral treaty which might be negotiated.

The President agreed that we could accept anything acceptable to the British with regard to France, Italy, Germany and Russia.

The President thought his letter of last fall to Mr. Davis could be used as a general basis for our attitude with minor revisions.

In the Delegation's relations with the public, he thought it would be wise strategy to stress the fact that the United States has two coast lines to defend which are separated by a vulnerable canal. He also felt the Delegation should make all its public statements so simple that

the man in the street could easily understand them, and should avoid the use of such words as qualitative and quantitative, the meaning of which few people understood. The Delegation should also bear in mind that it might again run into the problem of having to counteract Admiralty propaganda.

In conclusion, the President jokingly said he felt as though he were sending the Delegation on a Cocos Island treasure hunt.

[Annex—Memorandum]

[WASHINGTON,] November 19, 1935.

SUMMARY OF AMERICAN POSITION ON NAVAL QUESTIONS

(1) Although the United States has consistently favored and still favors the conclusion of a new comprehensive naval agreement, providing for the greatest possible over-all reduction of naval tonnage, or, at least for a continuance of the present treaty limits, it is necessary to recognize that under present conditions the achievement of this objective appears to be impracticable.

(2) Briefly, the situation today is that

(*a*) Japan has denounced the Washington Treaty and both the London and Washington Treaties will expire at the end of 1936;

(*b*) Japan insists on recognition of her claim to a common upper limit, i. e., parity with Great Britain and the United States, and refuses to agree to any limitation which would perpetuate the ratio system;

(*c*) Japan will not agree to qualitative without quantitative limitation;

(*d*) Japan favors a reduction in naval armaments, but by the method of abolishing capital ships, aircraft carriers and 8 inch cruisers;

(*e*) The United States and Great Britain, on the contrary, insist on continuance of the present treaty ratios, in fact if not in form, and reject the Japanese claim for a common upper limit or for an increased ratio;

(*f*) The United States and Great Britain oppose the abolition of capital ships, aircraft carriers and 8 inch cruisers;

(*g*) Great Britain has determined to increase the number of her cruisers from about 50 to about 70, necessitating a great increase in total cruiser tonnage;

(*h*) The United States cannot join in a new treaty which, in effect, will serve to increase total naval armaments, and therefore maintains the position that increases in one category should be compensated for by decreases in other categories.

(3) In the light of the above, a new comprehensive multilateral treaty at this time is ruled out by the fundamental divergence between the United States and Great Britain on the one hand, and Japan on the other, respecting relative fleet strengths. A treaty covering

qualitative limitation is also ruled out as long as Japan refuses qualitative without quantitative limitation. The British, however, seem quite hopeful that Japan will ultimately agree to qualitative limitation and that while no power would be bound as to quantitative limitation, an agreement can be reached for giving advance notice of building programs.

(4) The United States believes, and the other naval Powers seem to share the view, that even if no inclusive treaty is now possible, the effort to limit and ultimately reduce naval armaments by international agreement cannot and must not be abandoned. With a view to bridging the gap until a new comprehensive treaty can be negotiated, we must at least endeavor to get a limited agreement, if possible in a new multilateral treaty or, if that is impossible, at least in non-contractual form, such as declarations, which will prevent a naval race and tend to prevent any undue tension or effort to alter the *status quo* until a more opportune time for a new conference to negotiate a comprehensive agreement. If a new race is allowed to develop through the failure to achieve a new multilateral limitation treaty at this time, the obstacles to such an agreement in the future may become insuperable, and, fortunately each naval power seems to want to avoid a race.

(5) In case it is not possible to negotiate a multilateral treaty now providing for qualitative limitation and salvaging such other portions of the existing naval treaties as may be possible, but exclusive of quantitative limitation, it is at least possible for the United States and Great Britain to enter into a naval treaty continuing the essential principles of the Washington and London Treaties, thus making an Anglo-American naval race impossible, which would include a broad escape clause designed to meet excessive building by other naval Powers and which would serve as a powerful stimulus throughout the world for avoiding a naval race and to pave the way for a multilateral agreement later on. It might also be possible to include in such a treaty France and Italy, as the British have indicated, in case Japan refuses even qualitative limitation. Since Great Britain seems determined to increase her cruiser tonnage above the present Treaty limitations by 20 cruisers, we should explore the possibility of finding ways and means of providing compensatory reductions in other categories, such, for instance, as through a reduction in the number of battleships and possibly, later on, some slight reduction in the unit tonnage.

500.A15A5/559a

The Secretary of State to the Chairman of the American Delegation to the London Naval Conference (Davis)

[WASHINGTON,] November 26, 1935.

MY DEAR MR. DAVIS: With reference to your appointment by the President as Chairman of the American Delegation to the forthcoming Naval Conference at London, I am sending you herewith for your guidance, a memorandum, setting forth in the form of questions and answers, certain comments and views with respect to the attitude to be adopted by the American Delegation. The memorandum is based on conversations and conferences between members of the Delegation and representatives of the State and Navy Departments and the conclusions arrived at have been considered and approved by the President. I have chosen this form of setting forth this Government's views in place of furnishing you with formal instructions, in order to make it clear that you are not being tied down with hard and fast rules which, in the given circumstances and imponderables of the Conference, might seriously hamper your work and harm the interests of this country. The enclosed memorandum is therefore confined primarily to general principles and policies and I am relying on your and your colleagues' long experience with and understanding of the problem of naval disarmament to elaborate the details of the Delegation's strategy and procedure in the day to day negotiations. I shall, of course, be glad, in consultation with the President, to advise you telegraphically on unforeseen points which may come up and which in your judgment you feel should be referred to Washington for instructions.

I know you and your colleagues are facing a very complicated and difficult task in the present troubled situation and I want you to know that I and the other officers of this Department connected with the problem will strive constantly to give you our fullest cooperation in your efforts to insure the continuance of the limitation of naval disarmament by international agreement.

With all best wishes for the success of your mission,

Sincerely yours, CORDELL HULL

[Enclosure—Memorandum]

[WASHINGTON,] November 23, 1935.

AMERICAN POSITION REGARDING FORTHCOMING NAVAL CONFERENCE

Parity.

(1) Is it the firm understanding of the British Empire and the United States that whatever the future settlement may be, and even

if there be no treaty settlement, parity as between the two Fleets shall continue as the controlling concept of their naval relations?

The Delegation should go on the assumption that this has been settled once and for all in the affirmative and should bring it up with the British only in the event that they make any statements or take any action which appears to be in conflict with the principle and practice of parity. Parity need not be ton for ton, category by category. In essence, parity in effective fleet strengths must be assured, even if small variations in individual categories are agreed upon. The measure of parity should be the fleet of the British Commonwealth of Nations as a whole, and the Delegation should reject any proposal to provide separate quotas for the Dominions.

Ratio.

(2) What should be our attitude toward Japan's demand for a common upper limit or for an increased ratio?

The United States remains unalterably opposed to a common upper limit. In no case can the United States accept a treaty which actually permits Japan to achieve or approach parity, or to increase the present treaty ratio. Minor adjustments of individual categories might be arranged for through limited transfer provisions or through compensation in other categories, but final instructions on such minor changes should be sought before any commitment is made.

Increase in Total Strengths.

(3) Must we insist that there be a reduction in global tonnage or at least no increase, or can we accept a settlement which will permit an increase in present treaty strengths?

The Delegation should stress the importance of retaining the principles and methods of the Washington and London Treaties as a means of stabilizing the world naval situation and should continue to emphasize this Government's view that the object of any new treaty should be to reduce or at least not to increase naval armaments. Great Britain's insistence on increased tonnage renders it virtually impossible to compensate entirely for these increases by reductions in other categories. The Delegation should insist that at least 50% of any total increase absolutely necessary to prevent the failure of all quantitative limitation should be absorbed by a reduction in other categories. The total increase in present allotted tonnage should not in any case exceed approximately 75,000 tons.

Qualitative Limitation.

(4) Can we agree to qualitative limitations even without quantitative limitations?

The Delegation should continue to emphasize this Government's desire for comprehensive limitation, both quantitative and qualita-

tive. In view of the probability, however, that a comprehensive multilateral naval agreement at this time may not be practicable, the Delegation may declare its willingness tentatively to discuss qualitative limitations without quantitative limits, it being understood that its ultimate acceptance of a general agreement for qualitative without quantitative limitation will have to depend on the qualitative limits found acceptable and on such other provisions as may be included. The United States can agree to qualitative limitations with Great Britain, subject, however, to suitable escape proviso. It is interested in the qualitative limits of other naval Powers primarily to the extent that they affect the building of Great Britain or Japan.

Form of Agreement.

(5) If a treaty covering the five principal naval Powers is impossible, can we agree (*a*) to a quadrilateral or trilateral treaty, (*b*) to a bilateral treaty with the British, (*c*) to a non-contractual agreement with the British?

The Delegation should, of course, strive for at least a five Power agreement, but in the event this proves impossible a quadrilateral or even a trilateral treaty without Japan may be sought containing adequate safeguards in the form of an "escape clause" or automatic provisions permitting increases in the event of undue construction by any non-contracting Power. No bilateral treaty should, however, be negotiated.

The Delegation should, as a last resort, and after failure of every attempt to conclude a multilateral treaty or extend the life even for a year of the present treaties, seek to work out with Great Britain a method of avoiding an Anglo-American race through the method of unilateral but parallel and simultaneous public statements of policy or preferably through a public exchange of notes. In substance, such statements or exchanges might re-assert parity as between themselves as a guiding principle of the policies of both Powers; affirm a determination of the two Powers to avoid a naval race between themselves and not to take the initiative in starting a naval race with any other Power; reserve the right, nevertheless, to engage in such construction as may be required to maintain the relative strengths with other Powers provided by the Washington and London Treaties; provide for the exchange of information on each other's building programs and on the building programs of other Powers; express the hope that a new naval conference and limitation might be achieved at a future date, to include all naval Powers.

Political Cooperation.

(6) What attitude should the Delegation take in connection with possible British suggestions for political cooperation with the British Empire?

It is possible that the British Government may again bring up the thought that some form of agreement for Anglo-American political cooperation, particularly in the Far East, might be a determining factor in Great Britain's attitude toward naval limitation. The Delegation should repeat the position taken in the conversations a year ago, namely, that any agreement of this sort is out of the question. On the other hand, the Delegation may emphasize the inevitable and growing community of interests of the British Empire and the United States throughout the world and particularly the Far East (maintenance of treaties and rights accruing thereunder, stabilization of political and economic relations, maintenance of Open Door, opposition to expansion by means of military aggression, et cetera). From this community of interests, it would appear evident that despite the absence of any mutual commitments the United States and the British Empire are likely, in their own interests and in the interests of the community of nations, to follow, in general, a parallel, though independent, policy, notably in the Far East.

Political Issues.

(7) What should be the attitude of the American Delegation if Japan should raise political issues?

If political issues are brought up by Japan, the Delegation should seek instructions.

Fortifications.

(8) Can we agree to the continuance of the non-fortifications provisions?

The United States would accept the continuance of the non-fortifications provisions in any new limitation treaty which preserves the present ratio with Japan. As to their inclusion in a more restricted agreement or their separate continuance, without naval limitation, the Delegation should ask for instructions.

France and Italy.

(9) What should be our attitude toward the French and Italian naval positions?

The United States is interested in the positions of the continental naval Powers primarily as a result of their effect on the positions of Great Britain. The Delegation while working for the inclusion of France and Italy in a new treaty and assisting in a mediatory capacity in adjusting their views among each other and with reference to Great Britain, should, nevertheless, leave the main burden of negotiations with them to the British Delegation which is primarily interested. Any naval position on the part of France or Italy acceptable to Great Britain would presumably not call forth any insuperable difficulties on our part.

Participation of Germany and Russia.

(10) What should be our attitude toward the inclusion of Germany and possibly of Russia during the later stages of the Conference?

Although we feel that increasing the number of participants may increase the obstacles to agreement, the inclusion of Germany and Russia may prove to be of value in obtaining the adherence of Japan to a comprehensive limitation agreement, hence the Delegation should interpose no objection to the issuance to these Governments of an invitation to participate. The question of the inclusion of Germany and Russia is primarily a matter for the British, as initiators of the Conference, to determine. In any case, it would seem desirable to achieve a fairly close harmonization of the views at least of the United States, Great Britain, France, and Italy before inviting any other European state to attend.

Attitude toward German or Russian Positions.

(11) What should be our attitude toward the naval positions of Germany and Russia?

As in the case of France and Italy, the Delegation should leave the burden of negotiations to Great Britain. In particular, the question of incorporating the present Anglo-German naval agreement into a general naval treaty, is one in which we are not primarily interested, unless it would serve to assist in obtaining a comprehensive general agreement. If such inclusion is acceptable to the states primarily concerned, we should not raise any objection. With respect to Russia, it will have to be borne in mind that any agreement regarding the size of the Russian fleet will inevitably be an important factor in determining future Japanese building and Japanese willingness to participate in a reasonable agreement.

Treaty Period.

(12) How long should the new treaty period be?

In general the Delegation should favor as long a treaty period as possible, up to 10 years, with adequate escape provisions. However, a shorter period would be acceptable, for instance, a period up to the end of 1942. The length of the treaty period must depend to a large extent on the nature of the limitations agreed upon. The question of the treaty period should, therefore, be referred back for further instructions in the light of circumstances at the time. In any case, it is important that a further conference be made mandatory at least one year before the end of the new treaty period.

Submarine Warfare.

(13) What should be our attitude with respect to Part IV of the London Treaty (submarine warfare)?

The Delegation should suggest that the provisions of Part IV of the present London Treaty be incorporated in a separate treaty or protocol, since they do not properly belong in a limitation treaty. This matter should not, however, be insisted on.

General Strategy.

(14) What should be the general strategy of the Delegation?

Past discussions have indicated that despite considerable divergencies on technical points there appear to be no insuperable obstacles to agreement between the United States and Great Britain on naval questions. The basic divergencies appear to lie between the United States and Great Britain on the one hand and Japan on the other. Although the British have at times taken a less strong stand against excessive Japanese claims, partly due to their preoccupation with the European situation, there is an essential similarity of views between the United States and the British Empire respecting Japanese claims. Under the circumstances, the Delegation, while carrying on negotiations with the British for the removal of such technical differences as remain, should place the main emphasis on seeking a common point of view with the British in the face of Japanese claims. At the same time, no impression of a common front against Japan should be given and every effort should be made to demonstrate to the Japanese the reasonableness and equity of our position and to find such elements of agreement with them, or approaches to an agreement with them, as may be possible.

With respect to the principles on which our position towards Japan is based, these were set forth in full during the conversations last fall, notably in Mr. Davis' speech of December 6, 1934, a copy of which is attached.[95] These principles should be re-emphasized on appropriate occasions, but the Delegation should avoid as far as possible a fruitless debate between the Japanese and ourselves regarding general principles.

Press.

(15) What should be the Delegation's policy with respect to the press?

The American press representatives should be kept as fully informed of our position as possible, without, however, giving any encouragement to indulgence in recriminations. It is desired that relations with the press be centered in London and that as little discussion of the situation as possible should be carried on in Washington in order to avoid crossed wires. The Delegation should, nevertheless, keep the Department immediately and fully informed of its principal state-

[95] For text of speech delivered by Mr. Norman H. Davis at London, December 6, 1934, see *Foreign Relations*, Japan, 1931–1941, vol. I, p. 269.

ments to the press, in order that similar and reinforcing remarks may, if advisable, be made in Washington.

Instructions.

(16) Should the Delegation seek frequent instructions?

The Delegation's instructions have been made sufficiently full to enable the Delegation to decide the majority of issues that may arise without reference to Washington. While full reports on developments should be made, we anticipate, therefore, that it will not be necessary to ask for instructions except as envisaged in the preceding pages or as important points not adequately covered may come up.

500.A15A5/571 : Telegram

The Secretary of State to the Ambassador in the United Kingdom (Bingham)

WASHINGTON, December 6, 1935—5 p. m.

381. Embassy at Tokyo in telegram No. 231, December 6, 9 a. m.,[96] reports "newspapers yesterday and today have carried stories to the effect that the Japanese delegates to the London Conference would make proposals in regard to the Four Power Treaty [97] and in regard to fortifications in the Pacific. I took occasion to inquire at the Foreign Office and was informed that there is no basis for these reports and that the Japanese delegates are not authorized to introduce political subjects at London."

Please inform Naval Delegation.

HULL

500.A15A5/598

Memorandum of Conversation at the Admiralty, London, Between Messrs. Norman H. Davis, William Phillips, and Admiral Standley for the United States, and Viscount Monsell, Admiral Sir Ernle Chatfield, and Mr. R. L. Craigie for the British Government [98]

LONDON, December 8, 1935.

The First Lord, Viscount Monsell, stated that although the British Government was playing down the Conference and serious difficulties standing in the way of agreement, such as the situation in Europe and the attitude of Japan, he was very hopeful of eventual agreement; that no nation wanted a naval race; and that while Japan had so far refused

[96] Not printed.

[97] Signed at Washington December 13, 1921, *Foreign Relations*, 1922, vol. I, p. 33.

[98] Copy transmitted to the Department as an enclosure to the delegation's despatch of December 23, 1935; received January 7, 1936.

to consider qualitative limitation without quantitative, he felt that once they were convinced that their claim for a common upper limit will not be acceptable to any of the powers, it would be difficult for them to refuse at least to accept qualitative limitation.

The American Delegates were informed that the French and Italians had both assured the English that they would not support the Japanese claim for parity or a common upper limit, which it was at one time feared they might do. Once Japan realizes she is thus isolated it may lead to a change in her attitude. Mr. Craigie said that the Japanese had not as yet realized what difficulties were raised by their claim for a common upper limit. When the French realized that the Japanese were claiming parity and a common upper limit for themselves with Great Britain and the United States, but not for France and Italy, who in fact were not making such claims, the Japanese position became more untenable.

Viscount Monsell said that since Anglo-American cooperation is essential if there is to be any naval agreement, it was important to clear up the few remaining questions with regard to our navies. He then brought up the question of battleships, saying, in effect, that although they had urged and still were in favor of reducing the size of battleships below the present limit of 35,000 tons, they were prepared, out of deference to our wishes and views, not to urge this reduction further now, and referred to the proposal which had been made to hold this question in abeyance until the various signatories have had the experience of their first replacement. He stated that they might use this as a means of answering questions which will be raised in Parliament in regard to their stand, which they have previously taken on battleships. He also remarked on the side, that since a reduction in the calibre of guns to a maximum of 14″ would represent an appreciable economy it would help to satisfy public opinion.

Lord Monsell then said in effect: "And now, in order to eliminate any possible points of conflict, we hope that you can see your way clear to meet us on the cruiser program; that is, we hope that if we get an increase over 50 cruisers in our contemplated building program that you will not insist upon building the ships that you will build to match this tonnage in 10,000-ton ships." After verifying the proposition and ascertaining that what they proposed to do was to increase the number of cruisers to 60, included in which would be 10 over-age cruisers which they would retain, we informed them that within the limits of this proposition we could agree to match their tonnage in types of ships. In other words, that we would not insist upon building 10,000-ton ships. However, we would not scrap any of the 10,000-ton ships already laid down, pointing out that we had 9 of these ships under contract and that they, the British, already had 8, whereupon Admiral

Chatfield stated that they would probably build 2 more, making 10 in all.

We stated that from a purely naval standpoint there would be no objection on our part to the additional 10 Class B cruisers as we did not question the British needs in this respect, but that from a political standpoint we were in favor of a reduction rather than an increase; but that if this were the only stumbling block in the way of an agreement we were satisfied we would be able to see eye to eye with them on this question. We pointed out, however, that if there is to be no agreement for quantitative limitation but only for qualitative limitation with advance notice of building programs, the increase in cruiser tonnage which the British demand would merely be an academic one. The British expressed themselves as fully satisfied at what they deemed to be a most reasonable attitude on the part of the American Delegation.

There was then a general discussion as to the procedure of the Conference and as to the tactics which should be adopted with a view to working for an agreement. It was finally agreed that in the meeting of the full Committee that would begin on Tuesday the 10th, the British would state their views more fully, the Americans could reiterate their position and the Japanese would then undoubtedly bring up their proposals which would have to be discussed and dealt with. With regard to a formal discussion of the Japanese attitude they were opposed as we were to accepting in any way the Japanese thesis for a common upper limit and to discussing as a principle any change in ratio. In substance, however, we should be tactful and patient with the Japanese and give them an opportunity to try to justify their position.

500.A15A5/575 : Telegram

The Chairman of the American Delegation (Davis) to the Secretary of State

LONDON, December 9, 1935—10 a. m.
[Received December 9—7 : 40 a. m.]

6. Phillips, Standley and I in making our first call on British, had a substantial and satisfactory conversation yesterday afternoon with Monsell, Chatfield and Craigie. In substance they said that, while they are playing down the Conference, they are hopeful at least as to qualitative limitation and some arrangement as to building programs.

They also told us the French and Italians had agreed that they would not support the Japanese for a common upper limit. The British indicated even more determination than last year not to make any concessions to the Japanese as to ratio or a common upper limit although recognizing the improbability of any agreement for an actual continuance of the ratio principle.

In conclusion they expressed the opinion that we would have to be patient and tactful, but firm with the Japanese and that from time to time we should exchange views as to how we might best collaborate to make a success of the Conference.

DAVIS

500.A15A5/576 : Telegram

The Chairman of the American Delegation (Davis) to the Secretary of State

LONDON, December 9, 1935—1 p. m.
[Received December 9—9:20 a. m.]

7. The London Naval Conference 1935 opened this morning at 10:30 and followed the procedure outlined in the Embassy's 581, November 21, 5 p. m. and 592, November 26, 6 p. m.[99] Following delivery of the opening speeches the Conference resolved itself into committee of the whole called First Committee which will meet tomorrow morning at 10:30 at Clifford House. Texts of speeches being forwarded by mail.[1]

DAVIS

500.A15A5/579 : Telegram

The Ambassador in Germany (Dodd) to the Secretary of State

BERLIN, December 10, 1935—4 p. m.
[Received December 10—2:30 p. m.]

235. Foreign Office and other sources of information regarding German attitude London Naval Conference indicate that while interested the German Government is not concerned at this preliminary stage. The German Government feels that its agreement with England takes care of present situation. If Naval Conference has positive results and a further stage is reached the German Government might of course come into the picture.

No German observers have been sent to London. I understand from British Embassy that arrangements have been made to keep German Naval Attaché at London informed.

We learn on the best authority that when the Japanese naval delegation passed through Berlin recently a dinner was given in their

[99] Neither printed.

[1] For texts of speeches, see The London Naval Conference, 1935, *Report of the Delegates of the United States*, p. 48; the text of the speech delivered by the Chairman of the American delegation is also printed in telegram No. 373, November 30, 1935, 4 p. m., to the Ambassador in the United Kingdom, *Foreign Relations*, Japan, 1931–1941, vol. I, p. 281.

honor by Ribbentrop [2] and a similar entertainment by Admiral Raeder. This is something more than what the usual civilities of the sort required and further evidence of German-Japanese entente.

Apropos of this general relation information derived from important industrial leaders here is that war on Russia must come as Germany must expand in that direction. On the other hand I have the opinion of other eminent business men that a war would ruin Germany (confidential letter to Judge Moore of November 27 [3]). Possibly this indicates a divergence of opinion, possibly it is merely a question of time.

[Here follows a summary of German press comment on the London Naval Conference.]

DODD

500.A15A5/595

The Ambassador in Germany (Dodd) to the Secretary of State

No. 2529 BERLIN, December 12, 1935.
[Received December 23.]

SIR: I have the honor to report that the London Naval Conference is being followed with great interest in Germany and extensively commented on in the press here.

As may be seen from the attached translation of excerpts from the *Berliner Tageblatt* of December 8 (enclosure No. 1 [4]), the situation is regarded as vastly more complicated than in 1930. The English naval movements in the Mediterranean had demonstrated the importance of naval armaments, Franco-Italian agreement had made England's position more difficult, Japan had become strong enough to insist on parity and, like Italy, was only restrained by financial stringency.

Further press comment, reproduced in translation in enclosure No. 2,[5] indicates that, as elsewhere, one is not optimistic in Germany as to the outcome of the Conference.

In this connection, the Anglo-German Naval Agreement [6] is complacently referred to as "the most valuable basis" for London, and as a "victory for European peace". One journal points out that Germany would be willing to agree to a complete abolition of submarines, and another expects the question of the German naval construction program to be raised at London.

[2] Joachim von Ribbentrop, adviser on foreign affairs to the German Fuehrer and Chancellor.

[3] Letter to R. Walton Moore, Counselor of the Department of State, not found in Department files.

[4] Not printed.

[5] Enclosure not printed.

[6] See pp. 162 ff.

At the Foreign Political Office of the Nazi Party Germany's total disinterestedness in the Naval Conference at the present juncture was stressed. As one of the officials there told a member of my staff "In the line of duty we contact many foreigners. All are anxious to hear what Germany is going to do, and do not appear satisfied with the truth, which is that we have no occasion to abandon our attitude of reserve". The Anglo-German Naval Agreement, he continued, had fixed as the upper limit of German naval armament 35 per cent of the British Empire's navy, which was entirely sufficient for Germany's needs, especially since the percentage was considerably higher when taking England's European fleet as a basis of comparison. The question as to when Germany's building program would attain this maximum was one of money. Not only was Germany not participating in the Conference but she would not even send an official observer though technical naval advisers might be sent to London to assist the German Ambassador in current reporting.

Respectfully yours, WILLIAM E. DODD

500.A15A5/590 : Telegram

The Chairman of the American Delegation (Davis) to the Secretary of State

LONDON, December 17, 1935—12 p. m.
[Received December 17—6 : 50 p. m.]

24. I am officially denying a United Press report to the effect that at today's bilateral conversations between the Japanese and ourselves, Nagano [7] stated that Japan was bound to reject a horizontal 20% reduction in naval strength because of the popular apprehension prevailing in Japan regarding the possibility of a United States attack.

Nagai [8] told me that the Japanese delegation would do likewise.

DAVIS

[7] Admiral Osami Nagano, Japanese delegate to the Naval Conference.
[8] Matsuzo Nagai, Japanese Ambassador in the United Kingdom and delegate to the Naval Conference.

THE ANGLO-GERMAN NAVAL AGREEMENT, JUNE 18, 1935

[On April 26, 1935, it was announced in London that German naval experts would arrive shortly for the purpose of discussing informally the subject of German naval power with British Admiralty representatives. The arrival of the German delegation, headed by Herr Joachim von Ribbentrop, was delayed, however, until June 2. The conversations which followed (June 4–22) culminated in an agreement embodied in an exchange of notes, June 18, 1935; for text of agreement, see British Treaty Series No. 22 (1935).]

751.6111/71 : Telegram

The Secretary of State to the Ambassador in the Soviet Union (Bullitt)

WASHINGTON, May 7, 1935—6 p. m.

95. Your 177, May 4, 10 p. m.,[1] fourth paragraph from end. Aside from the question of the violation of treaty rights shared by the United States, our interest in German naval rearmament, as in Italian and French building, is primarily an indirect one through the effect which it may ultimately have on the naval policy of Great Britain and hence on the latter's position in future naval discussions. Our first concern is with relations in the Pacific, where the navies of the United States, Great Britain and Japan are the controlling factors. The immediate influence of the naval armaments of the Continental states is confined to the Eastern Atlantic and to European waters in which our interest is relatively small. We therefore feel that the regional discussion of German naval rearmament as now envisaged is the most appropriate method of dealing with the issue at present.

With respect to the wide naval problem, although both naval treaties contain commitments to meet in conference in 1935, there are no provisions obligating any one Power to take the initiative in calling a conference. In this Government's opinion, it is doubtful whether a useful purpose would be served by calling a naval conference as long as the prospects of agreement between the three principal naval Powers continue unpromising, although we are of course prepared to attend such

[1] *Post*, p. 270.

conference on the invitation of one of the other parties. In any case, the British Government, having initiated last year's naval discussions, retains the initiative for further steps in accordance with the joint communiqué issued at the end of the conversations last December.[2]

You should not officially inform Litvinoff[3] of the above, but may use it informally as your understanding of the American view.

HULL

500.A15A5/413 : Telegram

The Ambassador in the United Kingdom (Bingham) to the Secretary of State

LONDON, June 7, 1935—4 p. m.
[Received June 7—1 p. m.]

259. French, Japanese and Italian Embassies have been handed the following "secret" *aide-mémoire* by the Foreign Office today.

"1. At the outset of the Anglo-German naval conversations the German Government announced their decision to build in the future a fleet which would be in the proportion of 100% for the British fleet and 35% for the German fleet.

2. The German Government would also be prepared to agree:

(*a*) That this should be a permanent relationship between the two fleets, i. e. that the strength of the German fleet should never exceed 35% of the British fleet;

(*b*) That they would adhere to this limitation in all circumstances, e.g. it would not be affected by construction of third powers;

(*c*) That this ratio need not be incorporated in any future international treaty provided that the alternative method eventually adopted for the future limitation of naval armaments were to give Germany full guaranties that this relationship between the British and German fleets will be maintained;

(*d*) That the ratio should, in principle, be calculated on the basis of the tonnage in the separate categories (i.e. not merely on the "global" tonnage).

Before, however, giving an undertaking in the sense of paragraph 2 above, they asked whether His Majesty's Government were prepared to accept this arrangement.

The German offer has been carefully considered by His Majesty's Government who have reached the conclusion that it should be accepted. They regard it as a contribution of great importance to the cause of future naval limitation and consider that it furnishes an important assurance for the future security of this and other countries.

[2] For text of communiqué, see telegram No. 74, December 15, 1934, 8 a. m., from the Chairman of the American delegation, *Foreign Relations*, 1934, vol. I, p. 399.

[3] Maxim M. Litvinov, Soviet Commissar for Foreign Affairs.

Before, however, giving their formal reply to the German representatives, His Majesty's Government would be glad to learn whether the United States Government desire to offer any observations. In view of the urgency of the matter they trust that they may receive any such observations in the course of the next few days."

Craigie added the present naval discussions were dealing entirely with under-age tonnage, and pointed out the above agreement gave the French an estimated 30% superiority over the Germans.

The conversations opened last Monday with the Germans asking whether the British accepted Hitler's 35% proposed ratio of last March. In attempting to clarify exactly what this meant the British were pleasurably surprised when on Wednesday, with Hitler's authority, agreement was reached as set forth above and furthermore that the British might inform the interested naval powers. As a matter of tactics the British delayed immediate formal acceptance but regardless of what the views of continental naval powers may be it is understood the British have given informal acceptance to the Germans. In view of the fact that Germany possesses ships outside the terms of the Versailles Treaty, the British deemed it expedient not to raise this issue. However, it is expected the French and Italians may do so.

The Germans are returning to Berlin and the conversations have been adjourned until Friday of next week. Craigie hopes that before that time observations (if any) of the interested governments will have been received.

Craigie stressed that all data contained herein should be regarded as most strictly confidential.

This Embassy views this preliminary Anglo-German accord as a constructive contribution and should this also be the Department's opinion I venture to suggest your consideration of a telegram instructing this Embassy to convey some favorable observation in general terms to the Foreign Office where I have reason to believe it would be welcome.

BINGHAM

862.34/123 : Telegram

The Secretary of State to the Ambassador in the United Kingdom (Bingham)

WASHINGTON, June 11, 1935—5 p. m.

135. Your 259, June 7, 4 p. m. Please hand an *aide-mémoire* to the Foreign Office substantially as follows:

The American Government wishes to express its appreciation for the detailed information regarding the pending preliminary Anglo-

German naval conversations as set forth in the British *aide-mémoire* of June 7. It has noted with particular satisfaction (1) that Germany accepts the principle of limiting tonnage by categories, and (2) that Germany is prepared to regard a ratio between the British and German fleets, if once agreed to, as final, irrespective of future construction by third powers. While the American Government desires to cooperate fully with Great Britain in seeking a solution of all phases of the naval question, it feels that inasmuch as American interest in the size of the fleets of the Continental Powers is necessarily less immediate than that of Great Britain, the differential between the British and German fleets is primarily one for British decision.

The American Government is sincerely hopeful that the results of these preliminary conversations may lead to a common viewpoint among the leading European naval powers as to a mutually acceptable proportional standard for their fleets, and that this in turn will contribute to a general agreement between the principal naval powers for a further limitation and reduction of naval armaments in line with the principles of the Washington and London Treaties.

HULL

862.34/127 : Telegram

The Ambassador in France (Straus) to the Secretary of State

PARIS, June 18, 1935—6 p. m.
[Received June 18—5 : 52 p. m.]

511. Massigli [4] this afternoon showed Marriner [5] the French reply to the British communication to the signatories of the naval treaties with reference to the conversations in London between the British and German representatives. While the language of the memorandum is measured Massigli personally was indignant at the way in which the British, in what had been understood to be merely exploratory conversations, had come to a definite understanding with the Germans granting increases in tonnage under the Treaty of Versailles to four times present strength.

In the memorandum it is the French contention that the consequences of the German augmentation to 35% of the English tonnage by categories cannot be limited to the two powers conducting the conversations. Furthermore, that after Stresa, London and Geneva it was certainly the understanding of the French Government that the Treaty of Versailles could not be denounced or altered either unilaterally or bilaterally but only by accord of all parties concerned.

The French Government also restated its position that naval armaments constitute only one part of the problem as the total includes also

[4] René Massigli, assistant director of political and commercial affairs in the French Ministry for Foreign Affairs.
[5] Theodore Marriner, Counselor of Embassy.

air and land armaments. The French Government will, in case Germany builds to any such extent, be obliged to increase its fleet in order to maintain a sufficient margin over German war vessels which will all be concentrated in one sea. France wishes to know whether Britain has taken the possibility into consideration. Naturally France understands that no immediate building will be required until such time as the laying down of German keels reaches a mark in any given category that will disturb the balance envisaged by the Treaty of Versailles.

A further question is raised by the French; namely, what will be the effect on German building of any future Russian building and likewise what assurance can there be that the demand for 35% of the British fleet will be maintained if the Soviet Government should augment its naval armaments, a possibility not unlikely if Germany without having subscribed to any Eastern pact should so materially add to its Navy.

Massigli said that the French Government's views on this subject were wholly in accordance with those of Italy although the French interest was more immediate. It was not thought that any agreement had actually been signed between the English and the Germans on this subject but the very announcement of the project gave Germany a great concession from the principal European naval power as a bargaining point. The French would be most interested in any views of the American Government on this subject.

STRAUS

862.34/141 : Telegram

The Ambassador in France (Straus) to the Secretary of State

PARIS, June 19, 1935—8 p. m.
[Received June 20—7:11 a. m.[6]]

515. My 511, June 18, 6 p. m. While the French reply to the British memorandum on the naval understanding with Germany was as reported measured in tone the comment of the French press expresses indignation that Great Britain should have faced France with what is to all intents and purposes a *fait accompli.*

The objections voiced by Massigli to Marriner (my 511, June 18, 3 p. m.) and further emphasized to him last evening by Leger,[7] are analyzed in the press point by point and at considerable length. There is a feeling of resentment that Germany has finally been able to drive an effective wedge into the allied front achieved with such difficulty and labor at London, Stresa and Geneva.

[6] Telegram in two sections.
[7] Alexis Léger, Secretary General of the French Ministry for Foreign Affairs.

Jean Paul-Boncour[8] who collaborated in preparing the French reply expressed as his personal opinion to Tuck[9] that Craigie was primarily responsible for the idea and had let the French Government down badly. He stated further that the Quai d'Orsay from the start of the British negotiations with Germany had been kept in the dark as to the details of the understanding.

He likewise expressed the opinion that Craigie, who, according to French official sources, has been kept rather in the background of late had been able to "sell" the idea to his Government which had accepted it without sufficient consideration of the numerous and intricate complications which were bound to arise therefrom particularly in conjunction with the other principal naval powers. He stressed his belief that the result of German construction to 35 percent (approximately 400,000 tons) would inevitably cause the Soviet Government to embark upon a vast program. Were this to occur Germany would in all probability consider herself free to proceed to construction in excess of 35 percent in accordance with the provisions of paragraph C part 2 of the text of the White Paper.[10]

The *Matin* today carries a short *dépêche* radio announcement dated Washington, June 18, a translation of which follows:

"In official American circles it is understood that the United States Government approves in principle of the naval accord concluded today between Great Britain and Germany.

"In such circles the hope is gratified that this Anglo-German accord will contribute to render possible a new limitation or new reduction in armaments amongst the principal naval powers in accordance with the principle of the naval treaties of Washington and London."

It would be most helpful to have the Department's reaction to the situation even though it be solely for strictly confidential guidance.

STRAUS

862.34/141 : Telegram

The Secretary of State to the Ambassador in France (Straus)

WASHINGTON, June 20, 1935—6 p. m.

239. Your 515, June 19, 8 p. m. For your guidance. Our general attitude with regard to the recent British-German naval conversations was expressed in the following strictly confidential *aide-mémoire* presented to the Foreign Office on June 12 in reply to their request for observations:

[8] Permanent delegate of France to the League of Nations.

[9] S. Pinckney Tuck, First Secretary of Embassy in France.

[10] British Cmd. 4953 (1935): *Exchange of Notes between His Majesty's Government in the United Kingdom and the German Government regarding the Limitation of Naval Armaments, London, June 18, 1935*, p. 3.

[Here follows text of the *aide-mémoire* transmitted in the Department's telegram No. 135, June 11, 5 p. m., to the Ambassador in the United Kingdom, page 164.]

We subsequently gave out a short press release paraphrasing the last paragraph of our *aide-mémoire.*

You will note that we have taken no position as to the merits of the agreement itself feeling that the naval problem is twofold, one part relating to the fleets of the United States, Great Britain and Japan, the other part to the fleets of the Continental Powers. In the latter field our interest is merely that an agreement be found among the leading European Naval Powers rather than its specific terms.

HULL

862.34/194

The Ambassador in the Soviet Union (Bullitt) to the Secretary of State

No. 683 Moscow, June 28, 1935.
[Received July 25.]

SIR: I have the honor to report that the Soviet Government continues to be intensely disturbed by the Anglo-German naval treaty. Litvinov has expressed himself to me three times on this subject in language more violent than any he has used with regard to any event since I have been here. He now refers to the British as "the blacklegs" and fears that the effect of the Anglo-German naval agreement will be disastrous not only in Europe but also in the Far East.

It is, as the Department knows, the theory of Litvinov and the French that Hitler may be restrained only by a "chain" of states armed to oppose Germany. Litvinov is convinced that England has now broken this "chain" and that the defection of Italy and other states is likely to follow.

The most serious concern of the Soviet Government, however, is with regard to the effect on Japan of the Anglo-German naval agreement. The Russians point out that the construction of the new German fleet will make it necessary for England to retain the greater part of her naval forces in the North Sea, that she will have to diminish her forces in the Mediterranean, and that it will be absolutely impossible for her to send a fleet to Singapore.

From this they draw three conclusions: (1) That the Japanese henceforth will have a completely free hand in the Far East as the United States will not oppose Japanese advance either in China or against the Soviet Union unless assured of British support; (2) That the Anglo-German agreement is definitely against the interests of

England unless the British Cabinet proposes to cultivate much closer and friendlier relations with Hitler's Government than have hitherto existed, that therefore a strengthening of the ties between London and Berlin and a weakening of the ties between London and Paris is to be expected; (3) That Great Britain could not have tied her hands so completely in the Far East unless she had arrived at a private and secret agreement with Japan. It is, therefore, believed that the British have made a secret agreement with the Japanese with regard to the limits of the Japanese aggression in China and the protection of British interests in the Far East: In other words, a revival, in the form of a secret understanding, of the Anglo-Japanese Alliance.

In this connection, Mr. Wheeler-Bennett, who for many years has been connected with the British Secret Service and has just visited several European capitals, said to me recently that he and all the British diplomatists he has seen since the conclusion of the Anglo-German agreement, believe that henceforth Singapore will be totally useless.

For my own information I should be glad to have any comment that the Department may care to make on the speculations recorded above.

Respectfully yours, WILLIAM C. BULLITT

ANALYSES BY AMERICAN DIPLOMATIC MISSIONS OF POLITICAL EVENTS IN EUROPE OF SPECIAL INTEREST TO THE UNITED STATES IN CONNECTION WITH THE MAINTENANCE OF PEACE

Proposed Danubian accord; Anglo-French London conversations, February 1–3; proposed "Eastern Locarno" pact; Stresa Conference, April 11–14; proposed "Western European Air Locarno" pact; German rearmament program

751.65/245

Report by the Acting Military Attaché in Italy (Brady)[1]

[Extract]

No. 14215 ROME, January 10, 1935.

.

Austria and the Danubian basin.

Regarding Austria and Central and Danubian Europe the two Governments agree to recommend to the States principally interested the conclusion of an agreement of non-interference in their respective internal affairs and a reciprocal undertaking not to foment or favor any action which aims at an attempt by force upon the territorial integrity and the political and social régime of one of the contracting countries.[2]

The agreement is intended in the first instance to be concluded between Italy, Germany, Hungary, Czechoslovakia, Yugoslavia, and Austria—that is to say, between all the neighbors of Austria and Austria herself, and is open to the adhesion of France, Poland, and Rumania.

The French and Italian Governments, in consideration of the necessity to maintain the independence and integrity of Austria, agree that should this independence and integrity be menaced they will con-

[1] Translation of the text of the Italian official press communiqué issued at the conclusion of the Italian-French conversations between Messrs. Mussolini and Laval at Rome, January 3–7, 1935; copy transmitted to the Department of State by the War Department.

[2] The French official press communiqué contained at this point the following additional statement not included in the Italian communiqué: " . . . the latter being able moreover to conclude within the framework of the League of Nations individual agreements designed to guarantee the application of these principles." (" . . . ceux-ci pouvant d'ailleurs conclure dans le cadre de la Société des Nations des accords particuliers destinés à garantir l'application de ces principes.") For text of the French communiqué, see *L'Europe Nouvelle Documentaire*, No. 9 (Supplément au Numéro 890 de *L'Europe Nouvelle*, 2 mars, 1935), p. IV.

sult between themselves and Austria on the measures to be taken. This consultation is subsequently to be extended by France and Italy to the other States in order to ensure their concurrence.

.

F. M. BRADY

751.65/218

The Ambassador in Poland (Cudahy) to the Secretary of State

No. 557 WARSAW, January 11, 1935.
[Received January 23.]

SIR: I have the honor to report that today I called upon Minister for Foreign Affairs, Colonel Józef Beck, and discussed with him the attitude of the Polish Government toward the reported Danubian Accord between France and Italy.[3]

The Minister stated that contrary to the attitude of Poland toward the Eastern European Pact for Mutual Assistance, the so-called Eastern Locarno (despatch No. 533, December 13, 1934[4]), the Polish Government greeted the present understanding between France and Italy with genuine enthusiasm. He said that his Government had only been advised of the general character of the proposed accord and awaited the specific text but that he could tell me in great confidence that the Polish Government would rejoice at the execution of such an agreement and he was hopeful that it would be executed.

The only possible objection on the part of Poland would be based upon any discrimination against Hungary and a failure adequately to secure the territorial integrity of that country. This guarantee of the Hungarian frontiers would be the crucial point as far as Poland was concerned, but if these frontiers were assured and if the agreement assumed the character it now proposes to assume, Poland would eagerly become a party upon the assumption that it made for stability and the assurance of future peace in Central Europe.

Asked why the accord contemplated the adherence of Poland and Rumania after execution by the other countries parties thereto, the Minister pointed out that the participation of Poland is contemplated for an agreement concerning the preservation of the existing status of the Danubian countries. The accord reached between Italy and France concerned the independence of Austria. Another agreement entirely independent of this one concerned the stability of the existing status of the Danubian countries, and this second agreement had two phases; first, participation by all countries bordering upon Austria with the exception of Switzerland, Italy, Yugoslavia, Hungary,

[3] *Supra.*
[4] *Foreign Relations*, 1934, vol. I, p. 521.

Czechoslovakia, and Germany. When these countries had agreed to lend their assistance toward the maintenance of existing national territorial divisions, Poland and Rumania would then be asked to adhere to the same agreement. He said the decision of Poland, as he indicated at the outset, would be dependent upon unreserved participation by Hungary and the assurance of the other nations that the existing national integrity of Hungary be preserved.

The Minister said this proposed agreement, in his opinion, was a workable one and he heartily approved its broad outline. It was comprehensive and expressed a purpose rather than a specific program; programs where different national units were involved were always difficult of execution. This agreement was of an entirely different nature than the proposed Eastern European Pact for Mutual Assistance, which arbitrarily included some countries and excluded others, and proposed a definite program rather than a general scheme. He expressed himself as sanguine regarding its realization and told me I could report to my Government that Poland would join the proposed agreement with enthusiasm, provided the rights of Hungary were preserved in all respects, as he had mentioned.

Asked if Poland's decision would be in any way contingent upon participation by Germany, the Minister said that it would, of course, make the agreement more effective if Germany became a party thereto, but he did not consider the fate of the agreement dependent upon Germany. As far as Poland was concerned, he repeated that Poland's action would be determined by the participation of Hungary. He said the situation was entirely different from that which existed when the Eastern European Pact for Mutual Assistance was considered, for in that case Germany's adherence was essential and the success of the proposal depended upon German participation. But in the present Danubian accord, while it would be helpful to have Germany as one of the signatories, it was not absolutely essential.

Asked if he considered the proposal as an Italian-French movement directed against Germany, the Minister said that he did not so consider it. He said that while the reception of the news announcing the agreement was not received with friendly enthusiasm in Germany, one could not describe the German attitude as one of hostility. He said that Laval [5] exhibited the most conciliatory attitude towards Germany of any French Foreign Minister within his acquaintance, and he was certain the proposed Danubian understanding, as well as the agreement of France and Italy concerning the independence of Austria, were not directed primarily against Germany.

Asked if Soviet Russia had been consulted before execution of the agreements, he said he could not answer that question since the Polish

[5] Pierre Laval, French Minister for Foreign Affairs.

Ambassador in Moscow was ill and he had not discussed the matter with him. His only knowledge came from Russian press reports, which he construed as unfavorably disposed and distinctly hostile.

Asked if this Danubian accord meant the end of the Eastern European Pact for Mutual Assistance, the Minister said he did not think so. He said that the international politics of Italy consisted in experimenting with one line of policy which, if it was found to be ineffective, was abandoned and another tried, but that the Russian policy was rigidly to adhere to a certain proposal and to continue to advocate such a policy, regardless of difficulties and discouragements encountered.

Respectfully yours, JOHN CUDAHY

751.65/209 : Telegram

The Ambassador in France (Straus) to the Secretary of State

PARIS, January 16, 1935—8 p.m.
[Received 11 : 50 p.m.]

46. The Embassy has encountered unexpected delay in reporting upon the Laval–Mussolini conversations in Rome. Efforts to get in touch with more important Foreign Office officials were unsuccessful not only because of the critical situation in the Saar but also due to the fact that Laval left for Geneva within 48 hours of his return from Rome. Only one member of the American press in Paris (thanks to a close personal friendship of long standing) was in a position to have a frank talk with Laval and the following consists of a summary of the information obtained . . .

1. *Financial.*

Mussolini asked for permission to float an Italian loan in Paris but was told that France could not allow this until Italy had put her house in order. Léger,[6] who accompanied Laval, told Mussolini that French financiers considered Italy as a bad risk at present and that if he did not balance his budget Italy could not hope to interest foreign capital or investors. It was agreed, however, that if the Italian currency again got into trouble the two Governments would "consult" before Italy took any decision concerning the gold standard. Under pressure the Italians agreed to play a more important role in the gold bloc[7] but only when France had promised that if an emergency arose Italy might hope to secure "Treasury facilities" in Paris from the Bank of France. Laval stated that Mussolini had been promised

[6] Alexis Léger, Secretary General of the French Ministry for Foreign Affairs.
[7] Belgium, France, Italy, Luxembourg, the Netherlands, Poland, and Switzerland constituted the seven so-called "gold bloc" countries.

that the French Government would favor an eventual floating of an Italian loan on Paris market if and after Mussolini strengthened the Italian financial situation along the lines which France felt was necessary.

Laval expressed the personal opinion that Mussolini is more worried by Italy's financial troubles than by any question of foreign or domestic politics. Laval claims Mussolini is fundamentally ignorant on financial matters and has made the mistake of weakening his staff by dismissing able financial advisers who opposed his policies. Laval is also of the opinion that Mussolini knows that he is facing a serious financial question and that he feels that France alone can help him.

2. *Military.*

(*a*) Navy. Italy will not build the two 35,000-ton cruisers announced in 1934. Laval informed Mussolini that if Italy persisted in building these cruisers she need not expect any help from France. Laval added that there was a strong faction in the French Ministry of Marine headed by Piétri [8] in favor of the concentration in the Mediterranean of a stronger French cruiser squadron and that while Laval had up to the present been able to defeat that plan he felt that he could not prevent it if Italy should start work on the two cruisers.

Both men discussed briefly the Japanese denunciation of the Washington Naval Treaty [9] and mutually agreed that they have more to gain than to lose by adopting a "hands off" policy until they see which side is going to win. Laval pointed out the futility of France and Italy spending money on a naval race when both countries needed badly for the next 4 years a strengthening of their land forces. No final decision was taken on the Washington Treaty.

(*b*) Army. Laval made it the chief condition of *rapprochement* that Italy should abandon Germany and side with France in the French fight to prevent the legalization of the present German armaments without its counterpart in guarantees. Italy and France will be on the same side in Geneva and both will insist that acceptance of Germany's present Army (three times Versailles Treaty) [10] must depend upon Germany's acceptance of control and of the two main central European pacts: (1) the noninterference pact in Austria; (2) the Eastern Locarno. Mussolini broached the idea also of obliging Russia and Germany to sign an aviation control treaty which idea Laval brought back to Paris and submitted to the Cabinet. It is now being studied by French General Staff. This treaty would limit

[8] François Piétri, French Minister of Marine.

[9] Signed February 6, 1922, *Foreign Relations*, 1922, vol. I, p. 247. For denunciation of the treaty by Japan, see *ibid.*, 1934, vol. I, pp. 405–426.

[10] Treaty of peace signed June 28, 1919, *Foreign Relations*, The Paris Peace Conference, 1919, vol. XIII, p. 55.

the number of military airplanes just as the Washington Treaty limited naval tonnage.

3. *Political.*

Italy as soon as Mussolini can do it gracefully will withdraw her backing of Hungary's revision claims. Laval found Mussolini hard to convince on this point as the latter feared it would react against his personal prestige. Laval in return stressed that it was a case of abandoning Hungary or seeing Yugoslavia mobilize the bulk of her Army in Croatia and Slovenia.

Although it was a bitter pill Mussolini was forced to swallow the Little Entente plum. The Rumanian Government agreeing to the French suggestion that not only Yugoslavia and Czechoslovakia but also Rumania be allowed indirectly to sign the protocol guaranteeing Austrian independence, Mussolini recognized the role of Rumania as third state of the Little Entente. Laval stated that Mussolini was bitterly critical in the matter of Carol [11] and his entourage and insisted that while he was willing to deal with France he did not feel called upon to associate with or consult all of France's allies particularly Yugoslavia and Rumania.

Mussolini agreed to call in the Ministers of the Little Entente and told them that Italy and France had agreed upon the necessity of territorial integrity (the *status quo* of present frontiers). This was done at Laval's request because Yugoslavia threatened to quit France and to tie up with Germany and Poland if Italy refused to make some gesture to prove that she had no present desire of expanding her position in the Eastern Adriatic.

4. *Vatican.*

Laval stated that he gave the Pope a 30-minute *essai* on French foreign policies with special emphasis on Austrian and German problems. He did not ask the Pope to use the Vatican's influence in any way but the Pope voluntarily expressed the opinion that he felt that Austria should not be taken over by Germany.

In conclusion Laval stated that on paper he felt that he had lost his shirt to Italy for he had given Mussolini land in the Sahara and near Djibouti and had received nothing much in exchange. To quote his own words, however, Mussolini could not raise a dozen bananas on that 117,000 square kilometers of African soil and from now on Italy will have to pay for its policing instead of France. Laval felt, however, that in getting Mussolini to drop Germany's arms demands and Hungary's revisionist claims he really came away with Mussolini's shirt and studs.

STRAUS

[11] Carol II, King of Rumania.

751.61/175

The Chargé in the Soviet Union (Wiley) to the Secretary of State

No. 354 Moscow, January 19, 1935.
[Received February 6.]

SIR: Supplementing my despatch No. 342 of January 18, 1935,[12] I have the honor to add that, from conversations with Soviet officials and from information obtained through private channels, it would appear that the Laval–Litvinov[13] protocol of December 5[14] successfully reflected a "policy of prestige" on the part of the Commissar for Foreign Affairs rather than an effective effort to commit the Flandin[15] Government to the policy of Barthou.[16] M. Alphand, the French Ambassador, recently returned from a short visit in Paris. In private conversation, he confirmed the fact that the Soviet Government was disgruntled over the course of French policy and had regarded the results of the negotiations at Rome as in derogation of the Geneva protocol. M. Alphand explained that the French attitude had undergone no fundamental change in respect of the Soviet Union. France required a counterpoise to Germany in the East. So long as Germany remained unarmed, Poland sufficed. Germany was now rearmed and the counterpoise in the East would therefore have to be the Soviet Union. The Soviet Government, however, refused to understand that France might require a counterpoise elsewhere as well.

If M. Alphand's remarks may be interpreted as evidence of French desire that the U. S. S. R. voluntarily step into the place previously and unhappily occupied by Poland in the French constellation, the Soviet objections are not difficult to understand.

Before the assassination of Barthou, no secret was made, either by the Soviet authorities or by the French Embassy, that the *rapprochement* between France and the Soviet Union was directed against Germany. M. Alphand specifically stated that it had for its purpose the stabilization of frontiers through preponderance of force. However, the Soviet Government, in the light of developments at Rome, seems now to fear that the basis for the Franco-Soviet *rapprochement* has been fundamentally altered by Laval's tactics. In private conversations with Soviet officials, Laval is accused of having adopted an opportunist policy and of having greatly weakened the effectiveness of French policy by his "abject" pilgrimage to Rome and his disregard of the Little Entente, and the Soviet Union too. Flandin also appears to be regarded with darkest suspicion. The information of

[12] Not printed.
[13] Maxim Litvinov, Soviet Commissar for Foreign Affairs.
[14] Signed at Geneva, December 5, 1934, *Foreign Relations*, 1934, vol. I, p. 523.
[15] Pierre Etienne Flandin, President of the French Council of Ministers.
[16] Louis Barthou, late French Minister for Foreign Affairs.

the Soviet Government is to the effect that he is at present having a direct and private exchange of views with Hitler. Indeed, there seems to be apprehension that the President of the Council, if left to himself, might be disposed to engage in a policy of "concessions" to Germany with the result that the proposed Eastern Pact might be consummated in such a way as to constitute the traditionally feared anti-Soviet alignment rather than Litvinov's objective of a coalition against the Reich.

Soviet diplomacy has recently been particularly active. Mr. Litvinov, before his departure, presented his point of view with considerable energy to various diplomatic representatives in Moscow. In particular, he upbraided the Austrian Minister for Austria's failure to insist that the Soviet Union should take part in the Rome agreement for the security of Austria. When the Austrian Minister retorted that the Soviet Union had at least been in good company; that Great Britain had not been invited to participate, Mr. Litvinov is understood to have replied angrily that he did not consider Great Britain "good company". While Mr. Litvinov continues his activities at Geneva, the Soviet Foreign Office has not been passive. Krestinski [17] has been in close touch with the Turkish Ambassador and, according to a Soviet informant, both the Turkish and Yugoslavian Governments have, as a result, made strong representations to M. Laval, on the subject of the Rome protocols.

A possible sidelight on Soviet apprehensions is the concern with which the Soviet Government has followed developments having to do with Abyssinia. It has been suggested in private conversations that, in addition to the colonial concessions to Italy which were contained in the Rome protocols, a secret or tacit agreement has also been reached whereby Italian territorial aims would receive fuller satisfaction at the expense of Abyssinia. The possibility that two powers might compose differences between them at the expense of a third state, particularly one which was a member of the League of Nations, has clearly cast a chill into the Soviet consciousness. Indirect allusions would seem to account for this by Soviet fear that such a solution might serve as a precedent; that if Germany were to abandon her designs on Austria at the behest of Great Britain, France and Italy, it might be at the eventual expense of the Soviet Union. The territorial expanse of Russia is vast. Great regions are thinly populated. Moreover, the relative military inferiority of the Red Army vis-à-vis the Reichswehr, when considered in connection with the expansionist ideology which exists in many sections in Germany, constitutes an understandable background to Soviet fears; to the thought that, at

[17] Nikolai N. Krestinski, Soviet Assistant Commissar for Foreign Affairs.

some future time, history might repeat itself, with the Soviet Union cast in the role of Africa.

The attitude of the Soviet press towards France has, on the whole, been reserved rather than resentful. Criticisms of Laval's policy have been oblique; not direct. The chief agency employed for the purpose has been Pertinax, whose daily article has been featured so regularly in the Soviet press that it is not entirely clear whether the *Echo de Paris* is being subsidized by the French General Staff or the Soviet Government.

Respectfully yours, JOHN C. WILEY

500.A15A4/2629 : Telegram

The Chargé in Germany (White) to the Secretary of State

BERLIN, January 25, 1935—3 p. m.
[Received January 25—12 : 25 p. m.]

11. Referring to telegram 966, January 22, 7 p.m., from Disarmament Delegation,[18] it is also impression of interested colleagues here that Saar returns have produced an elation among Germans that is not conducive to tractability in international negotiations.[19]

For instance, in conversation about "Danubian" Pact (for guaranteeing nonintervention in Austria) which it is still hoped that Germany might sign after making considerable fuss, I am told that Chancellor [20] observed that were free election now to be held in Austria the Saar result would be duplicated; also in regard to an arms limitation pact that the Russian air strength would have to be reckoned in establishing aviation quotas. Indeed it is supposed that were formal proposals to limit armaments to be again made, the German terms would be stiffer than last year.

In the formal negotiations for an Eastern Pact the note delivered by the French Ambassador January 16th is said to contain no new proposals of interest to Germany but rather to be a conciliatory argument in reply to German memorandum of September 8th, see despatch No. 1300, September 20th, 1934.[21] Little hope is therefore entertained for a favorable reply especially as I gather that the Germans are confident of Polish support. Franco-British meeting expected in London may disclose some new line of policy, otherwise early prospects of general European agreement do not look hopeful.

WHITE

[18] *Ante*, p. 5.

[19] The plebiscite held on January 13, 1935, under the auspices of the League of Nations to determine the status of the Saar territory gave a majority, approximately 90 percent of the vote cast, for reunion with Germany.

[20] Adolf Hitler.

[21] *Foreign Relations*, 1934, vol. I, p. 509.

751.65/247

The Minister in Greece (MacVeagh) to the Secretary of State

No. 524 ATHENS, January 28, 1935.
[Received February 16.]

SIR: I have the honor to report that, as was expected, the Council of the Balkan Entente, after deliberating at Geneva on the attitude it should adopt toward the Franco-Italian agreements recently signed in Rome, has issued a statement limited, except in one particular, to generalities, and an expression of satisfaction in so far as these agreements make for the general peace. I give here a translation of this statement as it appeared (in French) in the *Messager d'Athens*, the semi-official foreign-language organ of the Ministry for Foreign Affairs, in its joint issue of the 21st and 22nd of January.

"Upon the occasion of their reunion at Geneva, the four Ministers of the countries constituting the Balkan Entente,[22] after examining such questions as immediately concerned them, proceeded to an exchange of views on the general situation, particularly as affected by the recent diplomatic negotiations terminated by the signature of the Rome Agreements on the 7th of the current month.

"They found themselves in accord in their appreciation of the importance of the arrangements made by these Agreements, and the usefulness of the principles expressed by them in the domain of international policy. The Balkan Entente cannot do other than rejoice over the success of the efforts undertaken for the organization of peace. It hopes that the arrangements agreed upon may be worked out practically, keeping in view the particular situation of all countries interested in the consolidation of peace in Central and Eastern Europe.

"The four Ministers of the Balkan Entente were unanimous in marking, once again, the complete identity of their views, as well as the firm will which animates them to pursue, in dealing with existing problems, the same united policy which has yielded such happy results in the past."

Satisfaction is expressed on all sides here in Greece that Mr. Maximos [23] was not drawn into any commitments in regard to questions involving Central Europe only. But the eagerness of Dr. Aras, the Turkish Foreign Minister, in summoning the Council of the Balkan Entente to Geneva at this time, has not escaped notice. In this connection, Mr. Maximos told me himself that he had no desire or intention of visiting Geneva again for the present but could not refuse the urgent telegram he received from Dr. Aras. It is therefore regarded here as quite possible that the new freedom of action secured to Italy by her accords with France may be causing Turkey some anxiety in regard to Italian activity in the Dodecanese. It is even sug-

[22] Greece, Rumania, Turkey, and Yugoslavia.
[23] Demetrius Maximos, Greek Minister for Foreign Affairs.

gested that Turkey really desired the Balkan Entente to trade its definite adherence to the Pact guaranteeing the independence of Austria in return for some sort of guarantee of the territorial *status quo* in the Near East.

If these guesses are well founded, the desire of the Turks seems not to have been fulfilled. It is known that during the Council's deliberations at Geneva, Mr. Maximos held a long telephonic conversation with the Premier in Athens. The temper of this country at present is undoubtedly opposed to the adoption of any foreign policy which is extra-Balkan or extra-Aegean in its implications, and even to please Turkey, who has not of late been very considerate of Greek feelings, the Premier could hardly counsel such a step at the present time. But it has been shrewdly hinted that Turkey's desires in this matter are what really underlies the one expression in the Council's statement which is not a generality, namely the hope for the practical working out of the Rome Agreements in keeping with the particular situation "of all countries interested in the consolidation of peace in Central and Eastern Europe."

Respectfully yours, LINCOLN MACVEAGH

740.0011 Mutual Guarantee (Eastern Locarno)/95

The Ambassador in Poland (Cudahy) to the Secretary of State

No. 584 WARSAW, January 29, 1935.
[Received February 14.]

SIR: I have the honor to report that I today discussed with the Polish Minister for Foreign Affairs, Colonel Józef Beck, developments in the foreign relationships of Poland, especially with reference to the proposed Eastern Pact of Mutual Assistance (so-called Eastern Locarno).

The Minister told me that he had conversed with Laval at Geneva on this subject and that while France had shown a conciliatory attitude toward Poland and a desire to meet the objections of the Polish Government to the proposed pact, the outline of the agreement was still so vague and uncertain that Poland could not express assent to becoming a party thereto. He said he could not understand the insistence of the French upon this agreement which is a Russian conception and is really a personal matter with Litvinov who had advanced it without mature consideration. The facts were, he said, that Litvinov had never reduced his ideas to writing, and the scheme is entirely too general in application for serious consideration.

He said that his dealings with Laval had been very satisfactory and very amicable at Geneva and that Laval, reflecting the French Gov-

ernment's point of view, had displayed none of the animus and unfriendly feeling exhibited toward Poland by the French press. Laval had stressed, he said, the continuance under all circumstances of the Polish-French alliance.

The Minister did not readily reply to my question concerning the attitude of Poland toward rearmament by Germany.[24] In answer he first said that he thought that other European powers had shown a manifest lack of good faith in entering a conference for disarmament armed "to the teeth" themselves; that they made no concessions to Germany while insisting that Germany should have no right to arm. When I returned to the question he said that he did not think that the conference between Flandin, Laval, and Sir John Simon [25] in London was to be taken too seriously. Most international conferences, he said, to be of any effect had to be entirely arranged and agreed upon in advance so that the conference itself was merely a setting for confirming formally plans already at the point of execution. But this conference in London was one in which nothing had been discussed in advance and everything awaited action. He predicted that in consequence nothing would result.

When I asked my question again about Poland's attitude toward German rearmament, he said that he thought the French had overestimated the importance to Germany of legalizing German armament. Already much of such armament had been accomplished and Germany would continue to rearm. He did not think the Germans would concede much to France or Great Britain for the legalization of a self-assumed right which they were already exercising and would continue to exercise. He indicated that he thought the French silly and unacquainted with realities if they assumed otherwise. When I pressed for an answer to my question with regard to Poland's attitude, the Minister said that he could not answer the question until a situation had arisen; that no situation had arisen, but that Poland was opposed to the rearmament of Germany and would put such opposition into practice if it were capable of doing so, but he knew no means whereby it could take measures to stop the military preparations of the Germans.

Asked if the decision of the Polish Government toward the Eastern Pact would wait upon that of Germany, the Minister replied that certainly the decision would not be controlled by the action that might be taken by Germany but that he considered the adherence of Germany to the Pact as absolutely essential to the working validity of the agreement.

He told me I might report to my Government that there have been no developments toward acceptance of the Pact on the part of Poland

[24] See section entitled "German Rearmament, With Unilateral Repudiation of Provisions of the Treaty of Versailles," vol. II, pp. 294 ff.
[25] British Secretary of State for Foreign Affairs.

since my last meeting with him (despatch No. 558, January 11, 1935 [27]), and that the attitude of Poland continued to be negative.

In reply to the inquiry as to whether this opposition to France did not further strain French-Polish relations, the Minister said he thought there was a great division of opinion in France concerning its present foreign policy and repeated his statement that his relations with Laval were entirely cordial and satisfactory and that Laval in no way had manifested the ill temper and feeling of animosity that has been exhibited by the French press. He reminded me of a former meeting (despatch No. 449, October 9, 1934 [27]), in which he had called attention to the fact that the French press did not represent the sentiment of the French people, and he said that he was never greatly worried by what the French newspapers said.

He said in answer to my question, that if France should sign the Eastern Pact without the adherence to it of Poland and if there should be nothing in the Pact opposed to the international policies of Poland, he would confer his blessing upon this action of France. He smiled with a mock, benign expression and held his hands in a pontifical gesture when he expressed this sentiment.

Respectfully yours, JOHN CUDAHY

741.51/98

Memorandum by the Ambassador in France (Straus) [28]

[PARIS,] January 30, 1935.

At 11:30 this morning I called by appointment on Foreign Minister Laval on the eve of his departure with M. Flandin for London. I told him that the purpose of my call was to ascertain whether there was anything about which he would like me to inform my Government. He stated in reply that he was going to London for a conversation, not a negotiation, and that he had every expectation of laying the groundwork for ultimate success in persuading Great Britain to see eye to eye with him in regard to general European conditions. He said that he was perfectly prepared to give Germany such satisfaction as would satisfy her national pride, and that his only desire was to assure general European peace. He said that he would lay his cards on the table, that he had nothing to conceal, and that he had no desire to encircle Germany or humiliate her in any way. He stated that Germany was prepared to subscribe to the Rome

[27] Not printed.

[28] Copy transmitted to the Department by the Ambassador in his despatch No. 1579, February 1; received February 8.

Pact,[29] and that he had, in fact, seen the German Ambassador a few days ago, who had presented him with an *aide-mémoire* from Germany on the subject. The German Ambassador had also told him that Germany was prepared to subscribe to the Balkan Pact,[30] but was not prepared to subscribe to the Eastern Pact, and that Germany had a suspicion that France and Russia had some kind of military agreement. To this Laval had replied that there is no military agreement between France and Russia and that there would be none looking to any other purpose than to establish European peace. He, Laval, had said that he was prepared to lay all of his correspondence with Russia on the table so that Germany could scrutinize it and see that he was playing fair and had nothing to conceal; and that the only understanding that he had with Russia was for peaceful purposes without any engagement of any kind for joint operation for military offense or defense. Continuing, M. Laval then told me that since the Saar plebiscite Hitler's assurance that the western frontiers of Germany were settled, as well as Hitler's refusal to give assurance as to the settlement of the eastern frontier, could be attributed to Germany's fear of a Franco-Russian military alliance. He, Laval, had hopes, however, that as conversations proceeded and as he succeeded in convincing Germany that France had no desire for a military alliance with Russia, Germany might yield and agree that she regarded the eastern frontiers as settled as well. He stated that the smaller nations which were in constant fear of being gobbled up by Germany would feel much easier in their minds and would be less likely to start a general conflagration if the eastern frontiers question were announced by Germany as being satisfactory. Laval appeared very anxious that the United States should participate in a general disarmament conference once what he regarded as the prior necessity, namely, the settlement of the continental *status quo*, had been established. Trying to discuss disarmament first, he considered would be putting the cart before the horse.

M. Laval then referred to a statement that he had made yesterday in the Chamber of Deputies and read me from today's *Petit Parisien* the following sentences expressing his views as he had frankly stated them to the Chamber yesterday:

"Nous voulons prendre notre part—une large part—dans l'organisation solide de la paix en Europe, mais nous ne concevons pas la paix sans les garanties de la sécurité. Nous n'avons d'ailleurs aucune con-

[29] Franco-Italian agreement signed at Rome, January 7, 1935, *British and Foreign State Papers*, vol. CXXXIX, p. 947.

[30] Nonaggression pact between the members of the Balkan Entente, signed at Athens, February 9, 1934, League of Nations Treaty Series, vol. CLIII, p. 153.

ception égoiste. Cette sécurité, à laquelle toutes les nations ont le même droit, nous la demandons pour tous." [31]

And he accentuated the last phrase, repeating it: ". . . nous la demandons pour tous."

I asked him a question as to whether he believed there was any truth in the rumor that Germany, Japan and Poland had a military agreement between themselves, as reported in my despatch No. 1568 of January 29, 1935,[32] setting forth a conversation which I had had with the new Russian Ambassador to France, M. Potemkin. Laval said he did not believe that there was any such military agreement though there had been an understanding which, in case there had been a Franco-Russian military agreement, might easily have developed into a military engagement. He said that recently Yoshida, Japanese Ambassador-at-Large, had been traveling widely and that he Laval had had several talks with Yoshida; had, in fact, given him a luncheon. He stated that Yoshida had been suspicious of the Franco-Russian engagements and he assured Yoshida—and he thinks satisfied him—that there was no Franco-Russian engagement that would lead to any military offensive against Japan. Yoshida had stressed the armaments of Russia in the East and Laval had told him that France had no ulterior motives, no desires for aggrandizement or for military preparedness either singly or in conjunction with any other nation except such as would lead to the assurance of world-wide peace.

Just before leaving I reminded Laval of the fact that the double taxation treaty had not yet passed the Senate.[33] He replied: "I had it put through the Chamber of Deputies and I have not forgotten my promise and it will be passed and ratified by the Senate." I said to him that I had met M. Caillaux, President of the Finance Committee of the Senate, in whose hands the double taxation treaty now lies, at a lunch at Baron de Lagrange's yesterday and had mentioned the fact to him. Laval said that Caillaux was a friend of his, that he would speak to him on the subject and that he had not forgotten his promise to me that the convention would be ratified. He said that I had done well to speak to M. Caillaux.

I also left with M. Laval a memorandum that the Embassy had prepared for me on a series of tariff and quota protests that we had sent to the Foreign Office during the past six or eight months and which still remained unsettled. I asked him whether I should give this

[31] Translation: "We wish to assume our part—a large part—in the solid organization of peace in Europe, but we do not envisage peace without security guarantees. Furthermore, we have no selfish thought. This security, to which all nations have the same right, we are asking for all."

[32] Not printed.

[33] For correspondence concerning the ratification by France of the treaty of April 27, 1932, relating to double taxation, see vol. II, pp. 247 ff.

list to his Chef de Cabinet and he said "No," that he would occupy himself with it and he took the list from me, making a note on it.

JESSE ISIDOR STRAUS

765.00/69 : Telegram

The Ambassador in Italy (Long) to the Secretary of State

ROME, January 30, 1935—8 p.m.
[Received 9 p.m.]

38. This afternoon I had by appointment a conversation with Signor Suvich,[34] the first since my return 3 days ago.

I said that his Government had had some interesting experiences since I left. Suvich said that he would review for me the happenings. He said that they had made agreements with France which seemed very bright in prospect for general European peace and certainly were reassuring as regards Franco-Italian friendship.

Suvich then spoke of the Saar, saying that France had made a mistake in agreeing to the plebiscite and in her attitude after her agreement, the consequence of which was that there was an overwhelming vote in the Saar in favor of Germany; that the French Government had said that it would wash its hands of the Saar in case there was a vote in favor of Germany and would not assume responsibility for situations which might develop there; that France had given the impression that she thought the plebiscite would go in favor of Germany; that the priests in the Saar had taken their positions from the bishops and the hierarchy of the church who had announced that the voters might exercise entire freedom of conscience, with the combined result that the people in the Saar were motivated by an impulse of fear for the consequences in case they voted against Germany and Germany should win, with the result that an overwhelming majority of the population voted for return to Germany.

The effect of this victory is contrary to the prognostications. It had been thought in countries other than Italy that Germany would be satisfied for the time being if she obtained the Saar and that peace would be a more settled prospect in Europe. However, the present effect on Germany is to have emboldened her and to have inspired the Hitler regime to additional hope of former territory. They have now the intention to attach territories of Eupen and Malmedy. After that they have in mind, and in the following order, to recapture Memel then the Polish Corridor and to attach Austria. So that instead of serving as a sedative to Europe and as an inducement for a greater

[34] Fulvio Suvich, Italian Under Secretary of State for Foreign Affairs.

security for peace the triumph of Hitler, for the overwhelming nature of which France is partly to blame, has served only to increase the ambitions of Germany and to [incite] the Hitler regime to additional territorial acquisitions.

After the plebiscite in the Saar and acting in the thought that Germany had been placated and after the agreements of Rome between France and Italy which carried the hope of a peaceful solution of the affairs of Europe, England thought that the time would be ripe for conversation with France which led to the impending visit of Flandin and Laval to London. England was animated by the desire to use these two factors to bring Germany into accord with the rest of Continental Europe. Through the conversations of the British with the French it is hoped to have Germany adhere to the nonaggression pact against Austria and have her also accept the Eastern Locarno with the additional proposal to be made by England that part V of the Treaty of Versailles preventing armament by Germany should be abrogated and a new agreement within the framework of the League of Nations and amongst the signatories of the Treaty of Versailles be entered into. This would satisfy Germany in that that part of the Treaty of Versailles would be scrapped and would satisfy England, France and Italy and other former antagonists of Germany on the Continent of Europe by limiting the armaments of Germany in a new treaty. The limitations to be imposed have not been definitely determined upon but would be in some fixed ratio to the armaments of France and Italy.

Mr. Suvich said that his Government was disappointed and yet was hopeful that the conference in London might solve some difficulties of the problem. He said his Government at the present time was decidedly pessimistic. In his own words he said, "We are confronting a high strong wall with just one little door leading through it. We hope the door will remain open but at the present moment we are very pessimistic."

I asked him whether the agreements at Rome concerning Austrian independence [35] involved any obligation on the part of France. He said that the agreement only provided for consultation between the two Governments in case there should be any German aggression toward Austria. To my further questioning as to whether there would be any action of any kind, he replied that there might be a little mobilization along the Austrian frontier of Italy and there might be a little mobilization along the Rhine on the part of France but that while those matters would be in prospect in case of an at-

[35] See report No. 14215 by the Acting Military Attaché in Italy, January 10, 1935, p. 170.

tempt by Germany there had been nothing settled except that the two Governments would "consult". Italy had also written to each of the countries contiguous to Austria (except Germany) and to those other countries such as Rumania and Poland which had been invited to join the nonaggression pact against Austria, inviting them to consult with France and Italy in case of German aggression toward Austria pending the time of their signature of the treaties. They have not yet heard from the countries to which they have written so that in case of German aggression in Austria the present agreement involves only consultation between France and Italy with presumable mobilization along both borders. As regards Germany, they have had conversations and in this connection the Italian Ambassador at Berlin has seen Hitler and the German Ambassador at Rome has also seen him and has returned to Rome and is to be received by Mussolini tomorrow. However, Germany is supposed to be antagonistic to the Austrian pact; she is opposed to the Eastern Locarno. In some respects Poland agrees with Germany but not in the definite opposition which Germany bears to both. In the meantime, France is insisting upon giving great power to the Eastern Locarno and has in a way subordinated to it the treaty for the noninterference pact relating to Austria. This makes the whole situation more difficult and is not in accord with Italian desires.

Suvich then proceeded to say that Germany no doubt was swelling with ambition and pride and was feeling the exhilarating effects of her victory in the Saar and looking toward Malmedy and Eupen and to Memel and the Polish Corridor. He felt that if an attempt develops in Austria it would eventually lead to a move to recover the Alto Adige from Italy. To my question as to whether or not it looked as if Germany was to resume her march to Baghdad he replied in the affirmative. Then I said "It looks very much like the days prior to 1914" and he replied "yes, very much".

I got from Suvich the impression of a definite pessimism which was illuminated exclusively by the hope of the possible success of the conferences at London and the implication that they might bring Germany to see the light and to agree to a limitation of her armament in cooperation with the powers of Continental Europe and to put her signature to the Austrian and Eastern Locarno Treaties. Lacking these agreements the hope for peace in Europe seemed short-lived. Suvich himself said, "We shall know within the next few weeks or few months whether Germany is willing to agree to keep the peace of Europe and to make political cooperation with the other nations or whether she is intent upon armament to reconquer and to make war."

LONG

862.24/147 : Telegram

The Ambassador in Italy (Long) to the Secretary of State

ROME, February 2, 1935—6 p.m.
[Received February 2—5 p.m.]

45. This afternoon I had a conversation with Mussolini. I asked him if he had any news from Berlin or from London. He made a very wry face, hesitated and then said substantially if not exactly these words "I have no good news. Germany refuses the questions of disarmament. Germany is armed. I think we can keep the peace in Europe for this year. The agreement between Italy and France has probably secured that. Germany is not yet ready but she is increasing her armament and rapidly preparing. The Saar plebiscite serves as a strong stimulant to Germany. If England should agree with France in London it might postpone the day."

He then asked the attitude of America toward Germany. I told him that the Government of America was of course on friendly terms with Germany but that the actions of Hitler such as his hostility toward the Catholics and his treatment of the Jews had alienated large sections of American public opinion and that there was a disposition in the United States to disapprove of Hitler because of the brutality of his methods. Mussolini then asked if public opinion of the United States might be considered as being opposed to Germany. I replied that certainly the public opinion of the United States was critical of Germany.

I would characterize his conversation today as definitely pessimistic and as indicating a mental acceptance of the inevitability of a conflict with Germany. Not repeated to any other mission.

LONG

741.51/112

Memorandum by the Chargé in the United Kingdom (Atherton)[36]

[LONDON,] February 5, 1935.

At Sir John Simon's request I called on him this afternoon. He said that as a member of a friendly Embassy he desired to keep me fully in touch with the Anglo-French negotiations to date. I intervened at this point and said that I could not but feel the outcome of these were a personal triumph for him, due to his able handling of the question ever since he had made his visit to Paris on December 22nd. He stated in reply that he very much appreciated what I said, and

[36] Copy transmitted to the Department by the Chargé in his despatch No. 1218, February 12; received February 21.

that in substance I was correct, for the present negotiations had begun on December 22nd when he had conversations with Laval in Paris. They had discussed then the European situation and Laval had stated the first step, from the French point of view, was to carry through the proposed Boncour [37] visit to Mussolini, but that nevertheless he was unable to go to Rome unless he had some assurance of success beforehand. In the course of the conversations Laval asked Sir John Simon to use British good offices with Mussolini, which Sir John agreed to do and confidentially advised Mussolini that Laval was anxious to pay a visit to Rome if he could be assured of the successful outcome of such conversations; that Mussolini must realize a successful outcome of such Franco-Italian conversations would mean a Laval visit to London, which would tend towards the stabilization of Europe and an approach to united action in the great question of German rearmament. Mussolini was very much influenced by Simon's message. Simon added that he was quite confident even in December that the Saar Plebiscite would be very largely in favor of Germany, although Laval did not share this point of view. However, Simon persuaded Laval that if the Plebiscite was very much in favor of Germany it would go to Hitler's head like a cocktail, and then he would be on the lookout for his next success, which undoubtedly would tend towards Austria. Therefore, in Simon's opinion it was of great importance that the Austrian matter should be out of the way before the Saar Plebiscite. Laval was excessively interested in this point of view, as indeed was Mussolini, and Simon was obviously personally pleased with the Franco-Italian conversations, particularly in regard to Austria. He pointed out that England made no commitments as regards the integrity of Austria beyond agreeing to consult. The inclusion of the Austrian clause in the official statement issued on the evening of February 3rd,[38] after the Anglo-French conversations, had, Simon learned, given satisfaction to Mussolini as intended.

Simon's conversations with Laval in Paris were followed by very secret conversations in Geneva during the Council meeting, for although Laval was willing to come to London directly after his visit to Rome, Simon preferred he should await the Saar Plebiscite results. Hence the Geneva conversations. In these Laval said that as regarded the German situation he saw only three alternatives: first, to let matters drift, which was unthinkable; second, to use force, which

[37] Jean Louis Paul-Boncour, chief French delegate to the League of Nations.

[38] British Cmd. 4798, Miscellaneous No. 1 (1935): *Joint Communiqué Issued on Behalf of His Majesty's Government in the United Kingdom and the Government of the French Republic as the Result of the Conversations Between the French and British Ministers in London, February 1st to 3rd, 1935;* also printed in British Cmd. 5143, Misc. No. 3 (1936): *Correspondence Showing the Course of Certain Diplomatic Discussions Directed toward Securing an European Settlement, June 1934 to March 1936,* p. 15.

in the face of public opinion was impossible; and, third, to negotiate with Germany, which Simon said was the only one he could contemplate. Laval thereupon agreed to return to Paris and stake his whole position before the Cabinet on his undertaking to work with Britain along this line of negotiation. Simon said that he undertook a task which was quite contrary to the general line of British policy, namely to prepare in the Foreign Office the basis of discussion for the Laval–Flandin visit to London. He said he had to be very particular in preparing this, since the French had at first balked at any inclusion of the subject of Part V; but the British had insisted.

Simon then turned to the official statement of February 3rd, which he said laid down the method of simultaneity; in other words that the four questions— 1) armaments, 2) security, 3) general abrogation of Part V of the Versailles Treaty, and 4) cancellation by Germany of her withdrawal from the League—should all be discussed together and as of equal importance. This basis of discussion was forwarded to Paris, and about January 23rd or 24th was the basis of preliminary discussions there by the British Ambassador with Laval. Up to this time, although in the Autumn of last year Simon had in connection with aerial bombing very briefly touched on the question of air aggression with the French, the matter of an air pact had not been broached. Simon said that this question had been conceived both by Flandin and himself, thinking separately, and he said it was a test worthy of note of the ability of the British Cabinet to work quickly that although the matter of this air agreement had not been broached until Thursday evening, January 31st, and many members of the Cabinet had not heard of it until they met together in special session on Saturday, February 2nd, nevertheless it was very carefully studied—particularly from the French point of view that upon unprovoked aggression by air France must have immediate assistance by air—and a decision reached. Simon added that he pointed out to the Cabinet that he did not mean any such accord to extend beyond Locarno, because he realized British public opinion would not stand for an extension of this commitment. But on the other hand Britain only benefited by Locarno indirectly, and he proposed in this air pact that Britain should benefit directly by French, and indeed German, assistance in case of unprovoked air aggression. The French strongly pressed in the beginning for a bilateral air pact, but Britain insisted upon the inclusion of Germany. Simon does not consider this matter settled yet, and thinks France will undoubtedly return to the question of a bilateral pact, which view Britain will not consider unless she has had a distinct refusal from Germany.

In reply to my question, Simon pointed out definitely that the language of the joint communiqué, "unprovoked aerial aggression",

was really the language of Locarno, and added expressly that any mutual arrangement in this matter between France and Britain was not in effect now. Simon pointed out that Britain and Italy were only guarantors under Locarno, but received no benefits directly thereunder from other nations or members thereof. Therefore it was unwise, in view of public opinion, to extend the commitments of Locarno by Britain extending benefits under this air pact to Italy, and vice versa Italy extending benefits to Britain. Hence this pact was referred to in the joint communiqué as a mutual arrangement for "Western Europe". With reference to the inclusion of other nations, Simon doubted, as a matter of fact, whether the British air force would be of much use in defending Sicily or the Italian air force of much benefit in defending Wales; but a regional pact which included Italy and another regional pact which included Britain would probably be of more benefit, though in both of these regional pacts France and Germany were included.

As for the future, Sir John pointed out that Britain must wait for the reaction of other countries, Germany, Belgium, etc.; that meanwhile he was considering the pros and cons of completing at an early date and prior to other considerations this proposed air Locarno against unprovoked aerial aggression. Sir John felt there were arguments on both sides, and that the French likewise had two views on this matter. But I distinctly gained the impression that Simon favored an early negotiation of such a pact by itself, particularly if the reactions to all the proposals of the official statement were not pretty definitely favorable and immediate.

I asked Sir John if he anticipated general continuation of bilateral conversations through diplomatic channels, and he said of necessity for the moment, but he hoped for quick action and envisaged the possibility of some sort of round table discussion in February or March, very much as in paragraph 3 of my 4, January 7, 11 p. m.[39]

I asked Sir John on what he considered the French attitude towards Soviet Russia was based, and whether in truth he believed the possibility of a Soviet-German *rapprochement* was possible. At first Sir John rather hedged on this question. I then asked him why such particular stress in the general statement had been laid on the Eastern Pact if not upon French insistence, since this subject obviously did not mean much to Britain. Sir John said that France's insistence on the Eastern European Pact was based largely on the need for taking care of her allies, i.e. Czechoslovakia and Poland. I then asked Sir John as to French assurances to Litvinov personally, and Sir John said that Litvinov had very consistently urged Soviet cooperation with France and therefore was demanding of France that if a satis-

[39] Not printed.

factory Eastern European Pact was not completed, then there must be a satisfactory bilateral Soviet-French agreement, or, failing that, obviously Litvinov had threatened France with the possibility of Moscow looking to some other country for an agreement, which obviously implied a Soviet approach to Germany if France held back.

Sir John concluded his conversation with me by outlining more fully the arguments he advanced in the opening part of his remarks, i.e. his desire that the United States should fully comprehend the scope of the present discussions. Sir John added that the United States, as a neutral Power, had great weight, and any opinion expressed by the President or the Secretary of State would have great weight in a troubled world. Accordingly if either the President or Secretary Hull found that the trend of the present conversations was in their opinion towards the establishment of world confidence, any public utterance of approval by either the President or Secretary Hull would undoubtedly carry great weight in Germany, and Sir John felt that Germany's reaction to this was of the utmost importance. He was satisfied that the first reading of the general Anglo-French statement had met with favorable comment in Germany, and he read me a series of telegrams from Sir Eric Phipps[40] quoting various German newspapers to support his views.

R[AY] A[THERTON]

741.51/89 : Telegram

The Secretary of State to the Ambassador in the United Kingdom (Bingham)

WASHINGTON, February 7, 1935—4 p.m.

25. Your 54, February 5, 8 p.m., last paragraph.[41] It would be difficult for us to make a public statement respecting the Anglo-French negotiations which would be helpful in either Germany or Great Britain. Unless you perceive objection, please deliver the following private message from me to Sir John Simon:

"My dear Sir John: I have read with the utmost interest Mr. Atherton's report on his conversation with you on Tuesday afternoon in which you outlined to him the background of the understandings and recommendations embodied in the communiqué issued last Sunday at the conclusion of the Anglo-French conversations.

"While I do not see how I could usefully comment in a public statement on what is in the first instance a European political development, I do wish to take this occasion to join with you and your French associates in expressing the hope, not to say expectation, that

[40] British Ambassador in Germany.

[41] Not printed; see memorandum, *supra*, last paragraph.

this will prove to be an important step toward the organization and preservation of peace in Europe and that it may be possible, as a result, to resume, under more promising circumstances and in a new atmosphere of cooperation, the negotiations for a general disarmament agreement.

Believe me,
My dear Sir John, Cordell Hull."

HULL

741.51/149

The Chargé in the Soviet Union (Wiley) to the Secretary of State

[Extracts]

No. 412 Moscow, February 28, 1935.
[Received March 20.]

SIR: I have the honor to report that the German reply to the Franco-British proposals, which was made public on February 16th,[42] has provoked Soviet editorial comment of a more direct and outspoken nature than heretofore. These comments and the official opinion of the Soviet Government which were formulated at the request of the French and British Governments (*vide* telegram No. 76, of February 21, 7 p.m.,[43]) have tended to confirm the Embassy's interpretation of Soviet policy and attitude as reported to the Department during recent months.

The position of the Soviet Government towards the European complex may be briefly summarized as follows:

1. Fear of German and Polish aggression and eagerness to effect the conclusion of an Eastern Pact, embodying "mutual assistance."
2. Uneasiness over the sincerity, stability and consistency of French foreign policy.
3. Suspicion of the role of English diplomacy vis-à-vis Germany and of her influence on France.

Fear, uneasiness and suspicion constitute the background of the recently formulated thesis of the indivisibility of peace; of the desire to convince France and Great Britain that a war of conquest undertaken by Germany in Eastern Europe could not be localized; or, alternatively, that were Germany given a free hand in the East, France would be reduced to the impotent status of a small power, with, of course, the British position much impaired.

In other words, Soviet activity seems centered both in the effort to persuade Great Britain of the futility of hoping for an enduring

[42] For text of German reply, see British Cmd. 5143, Misc. No. 3 (1936), p. 17.
[43] Not printed.

understanding with Germany and in prophylaxis against an air agreement being concluded at the expense of the proposed Eastern Pact of mutual assistance.

.

The German reply and the British attitude thereto have clearly served to intensify Soviet apprehensions over the possible development of the present negotiations in Europe. It is also apparent that England is regarded as the controlling factor in the situation. Hence the Soviet Government is awaiting Sir John Simon's proposed visit to Berlin with the greatest interest, the rumors of the possibility of his visiting Warsaw, Moscow and Prague after Berlin having been received with satisfaction by the Soviet press as an indication of a more favorable attitude on the part of the British Government to the idea of regional pacts of mutual assistance for Eastern Europe.

However, despite the increase in Soviet uneasiness and the fulminations in the press against the aggressive schemes of Fascist Germany, there is no evidence that the Kremlin fears that foreign attack is imminent. Immediate concern seems to be localized in the possibility, perhaps probability, that Germany will escape from the encirclement that was the original Litvinov–Barthou conception of the Eastern Pact, thus leaving the road open for future attack through failure to establish "preponderance of force" against the Reich.

Mr. Litvinov, in private conversation, professes to be convinced that Germany will await Japanese aggression against the Soviet Union before entering the fray; that Japan will not be prepared to march for another two years and that, in consequence, Soviet diplomacy has a comfortable interim in which to consolidate the Russian position. This may explain in part the dilatory and obstructive tactics Mr. Litvinov has employed in furthering relations with the United States.

Respectfully yours, JOHN C. WILEY

500.A15A4 General Committee (Arms)/157

Memorandum by the Chargé in the United Kingdom (Atherton)[44]

LONDON, March 5, 1935.

I called on Sir John Simon by appointment this afternoon and he informed me that due to Hitler's illness, which he believed was far more serious than the German communiqué allowed, his trip to Berlin had been postponed. Simon regretted this, he said, in the first in-

[44] Copy transmitted to the Department by the Chargé as an enclosure to his despatch No. 1280, March 12; received March 20.

stance because on his recent trip to Paris he had discussed the Berlin visit and secondly it did not enable him to dispose of the question as to whether a British Cabinet officer would visit Moscow or not (am reliably informed that although Moscow has issued no invitation for a British representative to proceed there, it will only be prepared to do so on previous understanding that a British Cabinet officer will accept the invitation, which would debar Eden from proceeding to Moscow alone). Simon then continued his account of the progress of the London conversations since our last conversation reported in my 54 of February 5, 8 p.m.,[45] very much as outlined in my 78 of February 21, 7 p.m.[46] He said that on his recent visit to Paris he had had a welcome from Laval that almost led him to think, he laughingly said, Anglo-French relations were too cordial. He pointed out in this connection that Mussolini had swung from his violent pro-Germanism of a year ago, to an intensely anti-Germanism now that was almost embarrassing, and Sir John modestly added that if a dictator could be jealous he felt too intensive Anglo-French courtship might arouse some such emotion in Mussolini. He stated that in the negotiations for the proposed Air Pact he hoped to include in the preamble some reference to the abolition of air bombing. He also added that this Air Pact would be an Air Locarno in that it would include all the Locarno signatories with, however, some proviso that Italy would not have to come to the defence of England or England to the defence of Italy. He said that in his forthcoming visit to Berlin besides the Air Pact there were a great many technical questions which would arise, but these technical questions all were based on political considerations and he had to achieve in his conversations with Hitler an understanding of Hitler's political outlook. He pointed out Hitler had suggested he was prepared to do many things, including bilateral pacts, etc., which at the moment were mere protestations on Hitler's part because he had made no attempt to conclude them. He said in his Paris conversations with Laval last week he had touched on the Eastern European Pact, and the French had pointed out one of the particular reasons they were desirous of the conclusion of this was that they did not want to be forced into a Franco-Soviet pact. In fact, the conclusion of any such agreement would be against their present policy. Therefore again they stressed the importance of an Eastern European Pact, and Simon felt that on his Berlin visit Hitler might agree to an Eastern European Pact including non-interference and consultation, but there was absolutely no possibility of Germany's

[45] Not printed; see memorandum dated February 5, p. 188.
[46] Not printed.

accepting an Eastern European Pact containing clauses of mutual assistance. Simon obviously felt that if in Berlin he could secure an Eastern European Pact of non-interference and consultation, France would accept it and it would be a great personal victory for Simon. He pointed out here that French drafting would be able in a Franco-Soviet agreement to cover a bilateral pact of mutual assistance as a corollary to this Eastern European Pact.

He then referred to the Italian-Abyssinian question,[47] in which he said Britain had a concern since last autumn in Geneva both Abyssinia and Italy had asked that this matter be settled locally, but he was not conscious of any local attempt being made at the moment, and was obviously fearful of Italian objectives. One of his causes of concern was that Abyssinia is a land-locked country and any war supplies going into Abyssinia would have to pass through the possessions of a neutral country. This he felt might arouse many questions which would precipitate larger issues. He felt that Abyssinia would be wiser to cut off her arm rather than permit creeping paralysis to set in.

[Here follows section of memorandum reported in telegram No. 91, March 5, 6 p. m., from the Chargé in the United Kingdom, printed on page 29.]

In conclusion I touched very briefly on the Far Eastern situation and the recent discussions of Ambassador Lindsay with Mr. Phillips (Department's 41, of March 2, 4 p. m.[48]). Simon said the matter in a nutshell was this: The Chinese Minister had come to him a short time ago and very ably pointed out the critical condition of China. Simon had replied he was most sympathetic but he did not have any idea of inviting discussions merely on China. He accordingly desired the Chinese Minister to understand that he would be very glad to consider any Chinese proposals which he had to present, and he would undertake on his part to inform the Japanese and American Governments that England was interested in the solution of the Far Eastern problem. Since that time the Chinese Minister had brought no further word from Nanking, and British action in their present frame of mind was dependent on this. I asked him whether he did not believe Japanese representations in Nanking at the present time were so strong that the Chinese found themselves in a difficult position to present proposals to foreign countries, and he said he had not really had a moment to consider this phase of the question.

RAY ATHERTON

[47] For correspondence concerning the Ethiopian-Italian conflict, see pp. 594 ff.
[48] Not printed.

740.0011 Mutual Guarantee (Eastern Locarno)/112

The Ambassador in Poland (Cudahy) to the Secretary of State

No. 625 WARSAW, March 8, 1935.
[Received March 20.]

I have the honor to report a discussion today with Colonel Józef Beck, Minister for Foreign Affairs, on the subject of the Pact of Mutual Assistance (Eastern Locarno).

I asked the Minister if he had anything to report concerning developments on this Pact. He stated that there had been no developments and that, in his opinion, all political negotiations in Europe had been impeded by what he characterized as the recent "tactless" remarks of Prime Minister Ramsay MacDonald in the House of Commons and the publication of the British White paper concerning the policy of Great Britain on the question of armament.[49] He said the situation of Great Britain vis-à-vis Germany in this connection was much like that which prevailed at the opening of the Disarmament Conference at Geneva in the spring of 1933 [50] when the nations assembled for the purpose of discussing a universal policy of disarmament were busily engaged in increasing armaments. He at that time had advocated a policy of suspending military preparation pending a decision of the Conference, and the advocacy of this policy had been further amplified by the Polish delegate Raczyński. This proposal of Poland was given no consideration with the result that the Conference presented an attitude of inconsistency and lack of good faith towards Germany.

Today the announcement of MacDonald that Great Britain must rely upon force, and the further pointed statements in the British White paper that Germany's course of rearmament made necessary defensive military measures by Great Britain was not dissimilar to the situation at the Disarmament Conference.

The Minister expressed the opinion that the Eastern Locarno negotiations had already degenerated into polemical discussions and that the Pact would probably never be executed. Reminding me of former conversations in which he had stated that the proposal was of Russian origin advocated by France, he said that its failure would greatly weaken the position of Litvinov, who had made a great mistake in announcing the Pact and giving it full publicity before discussing it with the nations contemplated as signatories thereto. In answer to a question as to whether the Polish Foreign Office had been officially advised of a visit to Warsaw by Sir John Simon, the Min-

[49] British Cmd. 4827 (1935): *Statement Relating to Defence Issued in Connexion with the House of Commons Debate on March 11, 1935.*

[50] See *Foreign Relations*, 1933, vol. I, pp. 1 ff.

ister replied that the British Foreign Office had notified him that it contemplated sending a representative to Warsaw for the purpose of discussing European foreign relations. No person had been designated to make such a visit nor had any time been set for the visit, but he said that he expected a representative of Great Britain in Warsaw within a short time.

Respectfully yours, JOHN CUDAHY

740.0011 Mutual Guarantee (Eastern Locarno)/116

The Chargé in Estonia (Carlson) to the Secretary of State

No. 313 (Diplomatic) TALLINN, March 15, 1935.
[Received April 4.]

SIR: I have the honor to submit herewith a few statements concerning *démarches* made at Paris on March 9, 1935, and at London on March 13, 1935, by the Estonian, Latvian and Lithuanian diplomatic representative at the above capitals having for their object the expression of the interest of Estonia, Latvia and Lithuania in the political conversations now being carried on between England and France, and in particular in those parts thereof in which mention has been made of the proposed pact of Eastern Europe.

In a conversation which the writer had on March 12, 1935, with Mr. H. Laretei, the Assistant Estonian Minister for Foreign Affairs, it was learned that, as far as Estonia was concerned, its Ministers at London and at Paris had been instructed to bring the following two viewpoints to the attention of the British and of the French Governments.

In the first place, inasmuch as in the French-British conversations at London on February 3, 1935, mention was made of the so-called Pact of Eastern Europe, Estonia wished to go on record as being in favor of a pact of this kind; at the same time it hoped that the Pact of the East would be made a part of the European system of peace pacts which was now under consideration. It also wished to point out that in case the creation of a system of peace pacts in Western Europe was not accompanied by the formation of a similar arrangement in Eastern Europe, the resulting atmosphere and situation in Eastern Europe would be far from satisfactory. For this reason Estonia hoped that, at the time when the general question of peace pacts came up for discussion, the proposed Eastern Pact would be given due consideration.

In the second place, Estonia had at the above time given expression to its desire to be included in whatever discussions might take place on the subject of an Eastern Pact. If concrete proposals were

brought up for consideration Estonia hoped that it would be given an opportunity to express its views and opinions with regard thereto.

The foregoing matters constituted, according to Mr. Laretei, the sole contents of the statements which the Estonian Ministers at London and at Paris had been instructed to communicate to the British and to the French Governments. In the statements no mention had been made of the form of Eastern Pact which the Estonian Government might be disposed to accept. Mr. Laretei called attention to the several proposals which had been made on this subject. There was, on the one hand, the French-Russian draft which was based on the idea of mutual military assistance. He mentioned, in the second place, the system of bi-lateral agreements between Germany and each of the countries in Eastern Europe which had been proposed. Mr. Laretei added that Estonia had not yet made up its mind on this subject and that it would probably not take any action until the matter was actually brought up for consideration. Although the question had not been discussed either by the Estonian Government, or by the Foreign Office at Tallinn, it had, nevertheless, become apparent that the mutual military assistance idea did not appeal to Estonia.

Mr. Laretei, in expressing his own personal opinion, said that, if the system of bi-lateral pacts with Germany could be included in the general peace pact system, in such a way that the existence of such pacts could be guaranteed by the countries participating in a European peace pact system, Estonia might possibly decide that bi-lateral pacts with Germany were to be preferred to the pacts in which provision was made for mutual military assistance.

According to Mr. Laretei, the above-mentioned Baltic *démarches* in Paris and London were made in the spirit of the Pact of Collaboration and Friendship which was entered into between Estonia, Latvia and Lithuania at Geneva on September 12, 1934.[51] In Paris the *démarche* had been made orally by each of the Ministers of the above countries after a meeting had been held between them for the purpose of deciding upon the general form to be given to their representations and upon the date on which they were to be made. It seems, however, that the representations thus made were given an interpretation by the "Havas" news agency which Estonia had tried to avoid. The reports issued by the above agency are said to have intimated that the Baltic States were particularly interested in the mutual military assistance provision of the Eastern Pact as proposed by France and Germany. This did not, however, correspond to the facts.

In order to prevent this same situation from arising in London, the Estonian, Latvian and Lithuanian Ministers in that capital agreed in advance upon the actual text of the *démarche* which they had been

[51] League of Nations Treaty Series, vol. CLIV, p. 93.

instructed to make; this text was subsequently presented in writing to the British Foreign Office by each of the above Ministers.

The Foreign Office at Tallinn states that the accounts of these representations as published by the Reuter News Agency are substantially correct.

Respectfully yours, HARRY E. CARLSON

862.20/750 : Telegram

The Chargé in the United Kingdom (Atherton) to the Secretary of State

LONDON, March 20, 1935—6 p.m.
[Received March 20—3 : 41 p.m.]

126. I called on Simon by appointment this afternoon. He began his view of the European situation by stating it was the time and manner of the German announcement on Saturday [52] rather than the substance that had so upset the French and indeed all Europe as well. Simon then briefly reviewed the Cabinet discussions which finally terminated in the sending of the note on Monday [53] without consultation with Paris and Rome and in spite of French pressure on Sunday and Monday for cancellation of his visit. Simon said consultation would have yielded nothing and he stressed the importance from the point of view of home politics of immediate and constructive independent action by the national Government. Simon was obviously pleased that British opinion of all shades was so approving of the Government's note and his Berlin visit.

In reply to cumulative French representations Simon said incidentally that he could not help noticing that Laval had agreed to visit Moscow without having previously consulted the British but that yesterday he had pointed out to the French his surprise at their delay in answering such an important statement as the German declaration. Simon said the French had informed him this morning they were answering the Germans today; that they had pressed for conversations before the British Ministers visited Berlin and it had now been agreed Eden [54] should meet with Suvich and Laval in Paris on Saturday before rejoining Simon in Berlin on Sunday. The Italians will answer the German note within the next day. The French have

[52] Decree of March 16, 1935, reestablishing compulsory military service; see telegram No. 49, March 16, 8 p.m., from the Ambassador in Germany, vol. II, p. 296.

[53] March 18, 1935; British Cmd. 4848, Germany No. 1 (1935): *Note Delivered by His Majesty's Ambassador in Berlin to the German Government on March 18, 1935.*

[54] Anthony Eden, British Lord Privy Seal.

likewise informed the British that they will bring up Germany's violation of the Versailles Treaty before the League Council but Simon pointed out the Council does not meet until May; he obviously deprecated this policy.

I then asked Simon how he viewed the European situation after Hitler's Saturday announcement. He said he felt it might develop either into a united Europe against Germany which would certainly be the case if it got into the hands of the League of Nations while Germany was not a member of that body or a more constructive solution might be brought about in which a series of collective pacts of regional security might be negotiated and in those in which Germany was interested an attempt would be made to include her. In fact those regional agreements in which Germany might participate were outlined in the Anglo-French communiqué. Simon's idea was to explore separately with the Germans each one of the subjects raised in the Anglo-French communiqué. He realized that every issue raised in the Anglo-French communiqué could not be profitably pressed simultaneously and therefore was prepared to suggest to Hitler a series of independent negotiations. The Air Locarno would be relatively easy of accomplishment. The negotiations as regards Austria in which England was interested would be carried on separately from the negotiations, for example, of the Eastern European Pact, in which England was not directly concerned. Simon realized that certain negotiations would be easier of accomplishment than others but as each negotiation was completed it would be initialled and the principle of simultaneity laid down in the Anglo-French communiqué would thus become operative in a final agreement for formal signature. I inferred from Simon's remarks he anticipated that the full negotiations would be protracted and difficult but the very fact Germany was undertaking negotiations would ease the situation and in a sense would be a measure of return by Germany to a collective world.

Simon obviously felt that the French condemnation of the English action was far from constructive especially since Germany interpreted this as a wedge in Anglo-French solidarity but Simon took pains to point out that however much it might be ruffled on the surface it was fundamentally intact. Incidentally Foreign Office has confirmed to the press that after British Ministers' visits to Berlin and Moscow another Franco-Italian-British conference will be held.

Simon referred to the position of the United States as outside the purview of the Anglo-French communiqué but since Germany had made her statement for world consumption America was naturally concerned, although probably not to the extent of immediate action. He then referred to a reply he gave to a question in the House of Commons this afternoon stating that the visit of the British

Ministers to Berlin was purely exploratory and said he would again point out this fact in the House of Commons debate tomorrow. He said he felt Washington would be interested in the fact these visits were being made as exploratory visits by the British Government and not in conjunction with any other government, as an unbiased independent approach in an endeavor to find a solution that would permit of general accord. I venture to point out how this point of view cuts across the Franco-Italian interpretation of the visit of Simon as an agent designated under the Rome-Paris-London conversations. Unquestionably it is this aspect that the French and Italians will endeavor to force upon Eden on Saturday.

Simon then went on to stress the importance of Anglo-American solidarity in world affairs and gave me a very straight intimation that he as Foreign Secretary would welcome any expression from the Administration that it had noted Simon's visit to Berlin was, as officially stated in the House of Commons, exploratory and it would be interested in following such developments as might come out of these conversations leading to a general appeasement. (In other words, England refuses to accept the continental view until she has explored in Berlin the extent of German intransigency and she would welcome any intimation from the United States that would give her support not only in Paris and Rome but Berlin as well).

ATHERTON

862.20/762 : Telegram

The Acting Chairman of the American Delegation to the Disarmament Conference (Wilson) to the Secretary of State

GENEVA, March 21, 1935—5 p.m.
[Received 5:40 p.m.]

1021. My 1018, March 21, 10 a. m.[55] I have seen Avenol,[56] who returned from Paris, and others this morning and have also been authoritatively informed of discussions Henderson[57] has recently had with Simon in London.

It appears that the British were determined no longer to be thwarted by what they consider the French plan of overloading every proposal. They were profoundly convinced that the only safety for the Continent lay in bringing Germany back into the concert of powers and to this end they would bend every effort and were willing indeed to accept temporary disadvantages therefor. They felt that they should handle the matter themselves in this contingency since they believed

[55] Not printed.
[56] Joseph Avenol, Secretary General of the League of Nations.
[57] Arthur Henderson, President of the General Disarmament Conference.

themselves the only power in Europe which could do so with even the remote hope of success. To the extent of making certain concessions this attitude has been modified by pressure from the French and Italians who persuaded the British to accept a discussion between Léger, Eden and Suvich, prior to Simon's trip; and a meeting between Simon, Laval and Mussolini in Italy to follow as a pretext for [*to follow Simon's?*] visit to Berlin and Eden's visit to Moscow.

It appears that Henderson considers that the German presentation of a *fait accompli* brings a limitation convention again into the realm of possibility and that it would be advisable to call a Bureau meeting in the near future. When Henderson called on Simon the latter vigorously opposed the suggestion for a Bureau [meeting?] and begged Henderson to take no action either in London or Geneva which might "rock the boat" in this very critical moment. He told Henderson that he would consult with him immediately on his return from Berlin telling him the results of his visit. There could then be further consideration of a Bureau meeting.

Avenol feels that the French action in laying this matter before the Council is a distinctly helpful step however this would appear to be dictated by the urgency of the moment in French international politics. While the politicians and those in immediate touch with affairs in France realized that German rearmament had already anticipated Hitler's announcement the ordinary Frenchman was ignorant of this and is now dismayed and is even talking of the possibility of war. Avenol is convinced that with this temper in France there is no possibility of successful negotiations by visits of Simon from one capital to another. Avenol believes that the only hope lies in a general meeting and the representatives of Italy and France will urge upon Eden in Paris the advisability that the British do their utmost to persuade the Germans to take part in the general discussion in the Council meeting. This, Avenol thinks, the Germans can do without loss of dignity since they retired from Geneva on the ground that equality was not granted them and they have now taken equality for themselves and can consider this condition constitutionally has been removed. If, over and above this condition, the Germans demand agreement before they will discuss the peace of Europe with the other states this, Avenol claims, would prove that they have no real desire for a peaceful solution.

A date has not yet been set for the Council meeting and Avenol hopes that it will only be set in the light of the negotiations and that nothing precipitate will be done.

Avenol believes that the Council meeting is essential for France and other powers to state their positions but he claims that they can state them and will state them with moderation. There is the possible

exception of Russia and according to Avenol Russia is the only state that may be provocative in the meeting.

Although the attitude which Avenol has given me is generally reflected in the Secretariat by those who have talked with him, opinon among my colleagues in the Conference and pressmen is, on the contrary, much concerned at the French action. It is pointed out that this action was dictated by party politics and the necessity for taking into account an aroused French public opinion as well as by the pressure of their allies and by resentment against England; that the Council meeting can serve no useful purpose but may on the contrary provoke an agitation among the peoples of Europe which will bring about an extremely dangerous situation. Parenthetically, the French resentment against England which I have mentioned is much deeper than the press or public statements reveal. Though a number of factors contribute to it, it is primarily based on the French belief that the British Government in arranging Simon's visit to Berlin after Hitler's declaration had violated the consultation agreement with France.

There is plainly a conflict of view as to how this critical situation should be handled. As indicated above the British seem inclined to believe that it can only be done by direct and separate negotiations while the French, bound as they are by their friendships and alliances, are taking the position that a settlement can only be reached collectively and through the League of Nations. With this acute European difference in the forefront of the present struggle, your attitude of refusing to express opinions at this moment seems to me the only wise one. I believe further that when the time comes, if it does come, in which we should feel it wise to take a position we could do so much more effectively with a background of silence.

WILSON

862.20/750 : Telegram

The Secretary of State to the Chargé in the United Kingdom (Atherton)

WASHINGTON, March 22, 1935—6 p. m.

63. Your 126, March 20, 6 p. m. Will you be good enough to thank Sir John Simon on my behalf for the full and frank way in which he discussed the present European situation with you, with particular reference to British policy. I have taken occasion today to answer some inquiries of the press and quote for your information the following excerpt from this afternoon's press conference:

"The Secretary informed the correspondents in answer to their inquiries in regard to recent events in Europe that the Government in

its foreign relations is proceeding on its usual normal course. He stated that the Government was, of course, following events in Europe with the utmost care and that the Department of State realizes that the situation is difficult and that the public here is really concerned over developments. The Secretary declared that everybody knows that the United States has always believed that treaties must constitute the foundation on which any stable peace structure must rest. He pointed out that all who believe in peaceful settlements of international problems of all kinds have felt increasing concern over tendencies to fail to live up to the letter and spirit of treaties. The Secretary expressed the belief that the moral influence of the United States and its people must always encourage living up to treaties. He stated that efforts now being made in Europe looking to an alleviation of the present tension will be closely followed by the American Government and expressed the hope that these efforts will succeed in their purpose of bringing about a general appeasement.["]

HULL

862.20/829

The Ambassador in Poland (Cudahy) to the Secretary of State

No. 640 WARSAW, March 22, 1935.
[Received April 4.]

SIR: Referring to confidential telegram No. 23, March 22, 3 P.M.,[58] I have the honor to report that pursuant to appointment I called today upon Minister for Foreign Affairs Colonel Józef Beck to discuss the matter of the attitude of Poland towards the announcement of universal military conscription in Germany.

Previous to the hour of my appointment the Minister telephoned that he was indisposed and would be forced to postpone the appointment but after being told that it was important that I see him he said he would see me. When I shook hands with him I was made aware that he had a temperature. His eyes showed the effect of fever and he coughed frequently during our interview.

In answer to my question the Minister stated that tomorrow Ambassador Lipski would make a statement to the German Government stressing the grave consequences of the announcement by Hitler that universal military conscription would be put in effect in Germany on April 1, and that an account of Ambassador Lipski's statement would appear in the press tomorrow.

Asked if the Ambassador's statement would be a protest against the action of Germany the Minister repeated that "it would point to the grave consequences" of the action contemplated by Germany. I asked the Minister if he could give me the substance of what would be said by Lipski and in reply he told me that the Ambassador would express the message of the Polish Government verbally and that no

[58] Not printed.

Aide-Mémoire would be delivered. The precise import of such verbal message he could not give me at this time because later in the afternoon the precise wording of Lipski's instruction would be determined at a conference in the Foreign Office but the Minister stated that he could tell me the instructions would be to the effect that Germany would be advised of Poland's view that the German action in announcing universal military conscription was fraught "with grave consequences".

In answer to the repeated question as to whether or not Lipski would make a formal verbal protest the Minister replied that no protest would be made. He personally did not believe in protests unless a failure of compliance with the protest was followed by action. In this connection he cited the protest of the Polish Government in 1933 against termination by the Free City of its agreement regarding policing the harbor of Danzig, which protest was enforced by the despatch of Polish troops to Westerplatte (despatch No. 186, March 10, 1933 from the American Consulate at Danzig [59]).

In response to the suggestion that Germany's abrogation of Article V of the Versailles Treaty constituted a unilateral repudiation of a bilateral undertaking he said he did not place much emphasis on juridical niceties in international affairs these days. He recalled that he had addressed this same suggestion to Prime Minister MacDonald during the Disarmament Conference of 1932 [60] when MacDonald's proposals did not contemplate the consultation of Germany but he has been given no reply to this inquiry.

Replying to my query the Minister said that no proposal would be advanced by Poland to lay the question of Germany's violation of Article V of the Treaty of Versailles before the League of Nations. This proposal has already been made by France and a further proposal to such effect by Poland would be a superfluous gesture. Moreover, the Minister said he considered this passing of responsibility to the League as evidence of weakness and confusion in the councils of Great Britain, France and Italy. He said that when he returned to Warsaw (he was in Krakow on a visit on March 17) he immediately telephoned Ambassador Lipski and asked him whether any concerted action was agreed upon by the Ambassadors of Great Britain, France and Italy after Hitler's announcement of conscription. He said Lipski had replied that far from any concert there had been confusion and lack of harmony in the views expressed. This lack of unity has been demonstrated, the Minister said, by the action taken by Great Britain, France and Italy since Hitler's announcement. A conference was announced for Paris. Now Sir John Simon is proceeding to Berlin without this conference. Developing the answer to my ques-

[59] Not printed.
[60] See *Foreign Relations*, 1932, vol. I, pp. 1 ff.

tion of a protest the Minister said that Poland considered that it had a limited responsibility under the terms of the Treaty of Versailles and that its position in the present situation was much like that of Belgium which had decided to make no formal protest against Hitler's announcement. He said it would be rather ridiculous if the twenty-five odd nations which had signed the Treaty of Versailles were all to [make?] formal protest at this time and reiterated his statement that a protest to be effective must be backed by action.

In response to the inquiry as to whether or not in his opinion the augmentation of the Reichswehr to 500,000 was already an accomplished fact the Minister said that he thought the German regular army was considerably less than that figure, although it was an open secret known a long time to every Chancery in Europe that German rearmament had been proceeding at a rapid rate since the withdrawal of Germany from the Disarmament Conference in October 1933.[61]

Concerning the proposed visit of Captain Eden to Warsaw the Minister said the object of this visit was to sound out the Polish Government regarding the Eastern European Pact of Mutual Assistance and the Danubian Accords. He said that I could report to my Government that the position of the Polish Government towards both proposals had not changed since his last statement to me on this question (despatches No. 557, January 11, 1935, and No. 625, March 8, 1935).

I asked him what would be the attitude of Poland if France signed a separate pact of mutual assistance or any pact with Russia and he said he could not reply to that question until the pact became an accomplished fact but he could see no objection on the part of the Polish Government unless such a pact violated the terms of the Polish-French Alliance or the Non-Aggression Pact between Poland and Russia. Candidly, he added, he could tell me in great confidence that he did not think any Eastern pact as now contemplated would ever be brought to a realization and he considered discussions on this subject academic.

He reiterated the position of the Polish Government towards the Danubian Agreement and said that the Polish Government would welcome such a proposal which in reality was merely an expression of intention to preserve peace and did not impose any conflicting obligations. He emphasized his former declarations to me that the fundamental foreign policy of Poland was to preserve peace with Germany and Russia and said he would persistently refuse to enter into any commitment that would in any way jeopardize the agreements now preserving this peace concluded with these two countries.

[61] For correspondence concerning German withdrawal from the Conference, see *Foreign Relations*, 1933, vol. I, pp. 265–352 *passim*.

The Eastern European Pact of Mutual Assistance as now contemplated he considered one that might jeopardize the position of Poland in the preservation of peace, especially since it envisaged commitments which might bring about contention, conflict, and confusion.

Comment:

I am of the opinion that the Minister of Foreign Affairs did not express himself dishonestly; that he does not fear a German-Polish isolation. I believe that the policy Poland has pursued since the Declaration of January 26, 1934 with Germany [62] represents his judgment of what is best for the interests of his Government in foreign affairs. In my opinion the course of independent action he has pursued since that time is dictated by the prevailing belief in Poland that the country is sufficiently strong to stand on its own feet and need not adhere to a policy of alliances. I believe Beck has confidence and faith in the future of Poland as an independent state and does not realize that the construction put upon the Declaration of January 26, 1934 as indicating a Polish-German *rapprochement* is dangerous to Poland, or that the cooling relations of Poland towards France are fraught with hazardous possibilities. It is significant that at the end of our conversation the Foreign Minister stated that while great diplomatic activity would take place during the next two or three weeks he was not alarmed or even concerned and considered the possibility of war very remote. The situation was entirely different from that which prevailed in 1914, he said, for the reason that every government in Europe was beset by grave internal difficulties and had not the physical means to prosecute a war. No one realized this as much as those charged with the control of foreign affairs.

Respectfully yours, JOHN CUDAHY

741.62/61 : Telegram

The Ambassador in Germany (Dodd) to the Secretary of State

BERLIN, March 26, 1935—6 p.m.
[Received March 26—3:05 p.m.]

56. Trend of the British-German conversations yesterday extending until 7:30 in the evening were along general lines with the British delegation endeavoring to obtain as frank a statement as possible from the Chancellor as to German standpoint and policy. All points in the British-French inquiry [*communiqué?*] of February 3rd discussed, chiefly the Eastern Pact. Disposition on the part of the Germans either to minimize the importance of certain other points or to agree to further discussions.

[62] German-Polish nonaggression declaration, *British and Foreign State Papers*, vol. CXXXVII, p. 495.

German officials say that a very friendly spirit prevailed and feel discussions will mean a general satisfactory clarification of their position in quarters which show the greatest tendency towards mediation and sympathy. The British position here is stronger than believed previously.

In conversations with Nazi and Foreign Office officials the German position is now explained as follows: the Eastern Pact with its offensive "*assistance mutuelle*" clause is not acceptable, as among other things, a war between Russia and Japan would mean German participation and a step towards undesirable communistic orientation. She is ready to accept a nonaggression clause in such a pact but it must not interfere with eventual Austro-German relations and must therefore not guarantee present status. Air armaments may be disposed of on the basis of equality without argument from Germany. Memel and similar questions have been given a tactical importance with a view to justifying League attitude but there is no outstanding reason why a return to the League is not possible on the basis of equality provided France will withdraw her charges and provided the League is not used as an instrument of power by other countries. War at present would mean the downfall of the Nazi Government whether successful or not.

The British official attitude here is somewhat different in that there is but little hope of material results from the conversations, that Germany has taken all she can by unilateral action and now desires to talk on the basis of the elastic term "equality" involving any number of controversial questions and interminable discussions and that there are too many points for which a common basis of discussion cannot be found.

No informative communiqués on the discussions have been issued.

Although the discussions are largely exploratory I feel that the Nazi Government now realizes it cannot indulge in entirely empty evasion and that regardless of what the plans are for the future an endeavor must be made to conciliate if for no other reason than self-preservation. It is not willing at the moment to take all consequences in case of a collapse of negotiations.

DODD

740.00/38

The Ambassador in Turkey (Skinner) to the Secretary of State

No. 590 ANKARA, March 28, 1935.
[Received April 24.]

SIR: If appearances count for anything we are getting nearer and nearer to a general European war. Protracted discussions based on

legalistic considerations seem only to embitter the situation. Disarmament proposals have been made and pushed to one side for years without any visible results. The fundamental cause of this unrest is land hunger, a subject which is approached gingerly, if at all, in current negotiations. This is the present situation of the principal powers today:

The United States: We really want peace on earth and good will to men.

Great Britain also wants peace, especially on the Continent of Europe. She has had a hand in the partition of Africa, took the lion's share of the spoils after the Great War, and now, if it will keep Italy quiet and inclined to cooperate in Europe, is unlikely to complain unduly of the latter's encroachments upon Ethiopia, always provided there is no interference with the headwaters of the Blue Nile.

France wants peace in earnest, she wants Italy to cooperate in Europe and shares Great Britain's feelings about Ethiopia.

Italy wants peace but talks about war and expansion. She especially desires territory in Africa and says so. Turkey fears that she has eyes on Asia Minor.

Germany speaks vaguely of peace and by her course appears to want to keep the world under the threat of war. She has said in various ways that she has no intention of engaging in war to obtain territory, but at the same time she rearms heavily and menacingly and causes it to be known that she wishes more territory in Eastern Europe. Germany has kept Austria in a ferment for years and she keeps the small Baltic states in a state of perpetual alarm. Until recently she was in the habit of making demonstrations on the Polish frontier indicating her desire for the return of Danzig and the Polish Corridor. She also wishes the return of Memel from Lithuania. Recently she has gone into a ten years agreement with Poland to keep the peace between them. This marks a departure from her former attitude, and the willingness of Poland to accept her present professions raises suspicions in many minds that back of this Polish treaty lies a gentleman's agreement respecting other matters. Nothing can be proved, but, rightly or wrongly, many people think that the two countries share in the hope and will assist each other in realizing this hope, that Germany shall have back Danzig and the Polish Corridor, while at one and the same time Poland is to be compensated by a part or the whole of Lithuania running to the sea, thus providing Poland with a substitute Corridor as proposed by the German Ambassador Nadolny, and furthermore, Poland is to have a large slice of the Ukraine running down to the Black Sea.

Poland is thought to have agreed with Germany as mentioned above, but not without some searching of the heart on the part of influential persons who do not see eye to eye with Marshal Pilsudski.[63]

Russia wants peace in order to develop her own resources and to be able to promote communism in other countries.

If the foregoing states with moderate correctness the general situation there is no more possibility of maintaining peace for an indefinite period by attempting to reduce armaments than there is of getting rid of disease by abolishing medicine. The first and indispensable condition to the maintenance of peace is to obtain a declaration from every European power that for twenty-five years, she renounces any possible claim to additional territory either by way of annexation or the setting up of protectorates or zones of influence. If such declarations could be obtained, and only the President of the United States could ask for them with any prospect of success, the world would settle down to economic recovery and military establishments could be reduced to the level of each country's real needs.

Respectfully yours, ROBERT P. SKINNER

741.62/69 : Telegram

The Ambassador in Italy (Long) to the Secretary of State

ROME, March 31, 1935—10 a. m.
[Received March 31—7 : 46 a. m.]

174. I learned from a responsible officer of the Italian Government the substance of the conversations between Hitler and Simon. After Simon's departure Hitler called in the French and Belgian Ambassadors and the Italian Chargé d'Affaires and told them in entire confidence for the information of their Governments, but not to be divulged, the German point of view as follows:

1. German recent military decree represents Germany's minimum requirement.
2. Germany demands a navy one-third the size of England's.
3. Germany is willing to enter into an air pact of mutual assistance on the condition that the German air force will be equal to the strongest air force of any country in Europe.
4. Germany will not guarantee the independence of Austria and insists that a majority of the people in Austria have the right to determine their allegiance without interference of any kind from any other government.

There were no German demands for rectification of the Czechoslovak frontier nor for the Polish Corridor nor for the return of any of their colonies. Stories published in English newspapers and reprinted

[63] Josef Pilsudski, Polish Minister for Military Affairs.

in various continental papers including Italy to that effect are without any foundation in fact and a denial of their correctness was to be issued last night by the German Embassy in London.

LONG

862.20/876

The Ambassador in Italy (Long) to the Secretary of State

No. 1022 ROME, April 1, 1935.
[Received April 13.]

SIR: I have the honor to inform the Department that, as seen from Rome, the European political situation as of today is one of nervousness after the visit of Simon to Berlin and expectancy while waiting for the Stresa Conference.[64]

The German position is that they have arranged for an army of approximately 550,000 men, fully equipped; that they demand a navy equal to one-third the size of that of Great Britain; that they will join an air convention provided that they will be accorded the right to have an air force equal to the strongest force in Europe; and that they will insist upon the independence of Austria to the extent that that country be afforded the right freely to determine her future allegiance without interference of any kind from any Government.

The dilemma presented by the German position can be solved in two ways. 1) The Western Powers can decline to accept the German program and oppose it. This would mean war. 2) They can yield to the insistence of Germany and accept her aggressive steps. This would mean a prolongation of peace.

There may be a middle course but it is hard for me to divine it. It is also possible that out of the excitement of the present situation there may be some hasty act or some ill-advised word which will precipitate matters and suddenly plunge the whole of Europe into another war.

The bluntness of the German demands and the secrecy which accompanied their communication, together with the exaggerations which naturally ensued from the secret manner in which they were treated, has brought about a nervous state of mind which is intensified by the thought that a Germany armed is not apt to be less docile than a Germany unarmed—or conversely, that an armed Germany is certain to be more aggressive than an unarmed Germany. These Governments all seem to fear Germany. They are afraid to actually oppose her. They are each conscious of their own internal difficulties and of the obstacles to their mutual coordination. The other Governments of Europe find themselves scattered in a big circle around Ger-

[64] Conference of the British, French, and Italian Foreign Ministers, April 11–14, 1935, at Stresa, Italy.

many and at a disadvantage as far as communication and coordination are concerned. Each of them seems to have reacted differently to Hitler's announcement so that there is no actual cohesion. The peripatetic statesmen of these various Governments have been and are making various visits to different capitals in an effort to establish some common ground and to prepare some basis of understanding before the Stresa meeting, to which they all look forward with something of awe because the decision, if any, at that meeting may be decisive as to the immediate future of Europe. However, as I see the Stresa meeting, it will be one of secondary importance. It is not composed of Prime Ministers but of Foreign Ministers. Each of the conferees except Mussolini will have to return to his respective Government and to confer with his Prime Minister and Cabinet. None will be invested with plenary authority at Stresa, so that that meeting will represent a conference of delegates rather than an assembly of authoritative officials.

From this point of view it does not seem that at Stresa there could be taken a decision which would have any immediate effect though it is quite possible that out of the conference there may develop a point of view which will be subsequently accepted by the different Governments.

In considering the various possibilities of the whole situation, the attitudes of the different Governments may be material.

Italy is ready for any emergency and is so organized that a decision could be taken and put into execution over night. The prospective presence of the Germans in Austria (and that is the implication of Germany's position) and the extension of the Reich to the Italian northern frontier, would have such important consequences for Italy that it might be assumed that Italy would attempt to take issue with Germany provided she could get any assistance from her neighboring countries. This contemplates aggressive action.

Her neighboring countries are France and Yugoslavia. In France the situation is believed to be such that it would be difficult for the French Government to make an aggressive move against Germany. It would be quite different from the situation which would be presented in case Germany should make an aggressive move against France. The insecurity of the French Government and the political backfires which would be built behind an army advancing into Germany might render it impossible for France to join with Italy in an attack. It seems almost certain that France would not attempt an aggressive move in support of Italy unless there could be obtained some definite assurance of help from England. At this writing and from this point of view it does not seem that England is now or will be disposed to make an aggressive move against Germany. The labor

element in England and a large section of liberal thought would be opposed to it. For a thousand years the British mind and the British psychology has been formed in the thought that the Channel effectively separated England from the continent. Generation after generation has lived in that belief and has transmitted to posterity a mental attitude in regard to the Channel and British isolation that it is difficult to convince it suddenly that it is based on a false premise and rendered nugatory by reason of modern scientific and mechanical developments. The frame of mind continues and renders it difficult for a British Government, no matter how strongly convinced of the advisability of aggressive action on the continent, to put its plans into execution with assurance of complete popular support. So that it seems improbable that England will deviate from her historic policy. On the other hand it seems quite probable that England will not quickly join France or any of the continental Powers in any aggressive military movement. This leaves France to determine whether she will cooperate with Italy and other continental Powers without the help of England and it is seriously doubted that France would decide in the affirmative.

Yugoslavia is temporarily aligned with Italy because the Yugoslav Government is bitterly opposed to German occupation of Austria. They feel that they will be one of the next to suffer from the aggressive ambitions of Germany and that the provinces of Croatia and Slovenia, which have an historic connection with Austria, might be overrun by the advancing German ambition. Out of the aftermath of the war, Yugoslavia attached herself formally to France but there have been several signs of a weakening in the bonds of attachment and a suspicion that in case Germany seemed to be the dominant factor it might better serve the interests of Yugoslavia and the other members of the Little Entente to make peace with Germany and get some assurances from her rather than to continue an open conflict with her separated as they are from France and exposed to the full rigors of a successful German advance.

The attitude of Poland is the subject of a good deal of speculation. A possible light upon the intentions of Poland may have been thrown by the communications of the Polish Foreign Minister to the representatives of France and Roumania as indicated in my telegram No. 169 of March 29, 11 a. m.,[85] but until the actual test comes it is certainly very doubtful with which side Poland will ally herself.

The conversations between Eden and Litvinof in Moscow are supposed to have progressed very satisfactorily. The British Ambassador told me last night that he had had advices to the effect that

[85] Not printed; see despatch No. 660, April 4, 1935, from the Ambassador in Poland, p. 217.

they had found themselves in sympathetic accord. But it is very difficult for me to accept the thought that either France or England could seriously contemplate a strategy which would invite the Communists into Central and Western Europe. In case there is to be a war in Europe the consequences of it will be fantastically horrible. This will follow not only from the very nature of the war which will be waged from the air but must contemplate the disturbed social and economic conditions of the world. In 1914 we were all quite stable from the social point of view and in fair equilibrium as far as economics and finances were concerned. During the war there came to the surface evidences of a social unrest but since then social, economic and financial difficulties have spread throughout the world. So that today, on the threshold of a possible new war and with those disturbing elements present, it can only be assumed that the consequences of the new conflict would be exaggerated enormously as compared with those of the former. The sequel to that is that Bolshevism or Communism or whatever name is generally accepted as descriptive of the condition of social and economic chaos which has existed in Russia for more than a decade, would follow in the wake of the next war and would be facilitated and given a place of particular importance in case Russia and its social and political theories should be invited to participate in the further destruction of Europe. Lenin in his most ambitious moments could hardly have conceived of a more practical way to spread his propaganda and to extend the influence of his unpleasant doctrines, and it is almost inconceivable to me that the statesmen of England could contemplate with equanimity the prospect of joining with Russia in any effort which would extend the influence of that Government into Central and Western Europe. And in case it should happen, the consequences to Europe and to world civilization could hardly be estimated in advance.

It is certain that Italy will have distrust for Russia and will lack confidence in the cooperation of the Little Entente except for the immediate purpose of opposing a particular German advance into Austria. So that there will be suspicions and a lack of intimately coordinated policy on the part of the Governments of Europe outside of Germany. This is already manifest in the attitude which Italy takes toward England and the resentment that Italy feels toward His Majesty's Government for having presumed to act alone after the German announcement in defiance of the Versailles Treaty. It is hard to see how there will be that unanimity of thought and purpose which would unite all the countries in an effective stand against Germany. By an "effective stand" I mean a marshalling of troops and a determination to use them in case Germany does not submit to their insistent demands.

It seems certain that an effective stand cannot be evolved from the conference of three Foreign Ministers even though one of them is at the same time Prime Minister. It seems certain that some other conference must develop from Stresa—and the larger the conference the more points of view will develop and the fewer chances there will be for a complete coordination. In the meantime Germany is proceeding with her armament and solidifying her position and the German Government is becoming stronger in the confidence of its own people.

For this to continue is to revert to 1914. Without effective opposition Germany will only be encouraged to continue and better prepared to prosecute her expansionist program. The World War will have been fought in vain. Germany will be prepared to accomplish in peace what she was denied in war.

The apparent alternative is to use force to stop it. This the Governments of Europe are loath to do. And if they do—they invite Bolshevism and the horrors of social revolution to the conquest.

The question ultimately presents itself whether German control of Central and Southeastern Europe is as objectionable as the infiltration of Communism throughout all of Europe.

But to go beyond Stresa is to enter the field of speculation. At this time and looking only to Stresa it would seem that the conferees must adjourn without having arrived at any decisions binding upon their respective Governments and that if anything is developed in the future it must be at another and larger conference.

Respectfully yours, BRECKINRIDGE LONG

741.62/82

The Minister in the Netherlands (Emmet) to the Secretary of State

No. 191 THE HAGUE, April 2, 1935.
[Received April 17.]

SIR: Referring to the recent visit of Sir John Simon to Berlin, I have the honor to report that yesterday, while in conversation with Jhr. A. C. D. de Graeff, the Foreign Minister, he informed me that a few days ago he had gone to see Sir John Simon at Schiphol, the airport of Amsterdam, when the latter came down on his way through from Berlin to London.

The Foreign Minister told me that in his conversation with Sir John Simon that afternoon, the British statesman had said that Hitler had struck him as having none of the swashbuckling, arrogant, self-assertive qualities frequently attributed to him and characteristic of certain other European leaders. On the contrary, Hitler seemed to

be rather retiring and bashful and of a certain mystic temperament,—the temperament of one who has a mission to perform in the world and who goes about doing it irrespective of consequences but in entire humility.

In addition, Sir John told Mr. de Graeff that Hitler seemed far more concerned with the Russian menace on the East, as exemplified by the large Russian army, than he did with affairs in Western Europe,—in fact he had expressed himself as rather unconcerned with affairs in Western Europe but thought that the East was a real danger spot, which would require action on the part of Germany.

It occurred to me that this conversation might prove of interest to the Department as there is some indication of Sir John Simon's state of mind after the much discussed conversations.

Respectfully yours, GRENVILLE T. EMMET

862.20/908

The Ambassador in Poland (Cudahy) to the Secretary of State

No. 660 WARSAW, April 4, 1935.
[Received April 18.]

SIR: I have the honor to report that after the receipt of telegraphic instruction No. 21, March 30, 2 P.M., 1935,[66] I called (on April 1) upon Mr. Victor Cadere, Rumanian Minister to Poland, ostensibly for the purpose of discussing with him the background of the conversations that were to be held on April 2 and 3 between members of the Polish Government and Mr. Anthony Eden. Mr. Cadere told me that a week previously he had had a meeting with Minister for Foreign Affairs Józef Beck and had discussed with him, especially as it related to the relations of Rumania and Poland, the situation arising by reason of the announcement in Germany of conscription. The Foreign Minister, the Rumanian Minister told me, felt slighted for the reason that Poland had not been consulted concerning the measures of defensive action to be taken against Germany. Colonel Beck told Mr. Cadere that instead of Russia being considered the focal point of the Eastern European frontier, Poland is the important country and would become the battle ground in case of a conflict involving Eastern and Western Europe. The Foreign Minister's attitude, Mr. Cadere said, reflected further evidence of the great ambition of Poland to appear as a "Great Power" in Europe, and he added that the Polish Foreign Office considered itself slighted and ignored because Poland had not been invited to join in the Paris or Stresa conferences.

[66] Not printed.

I asked the Minister if he considered a protective pact possible within the near future between Russia and Poland, or between Russia, the Little Entente, and Poland. He replied that he considered such a pact "fantastic". He said that Rumania was satisfied, as far as any treaty of military assistance is concerned, to have its present alliance with Poland, and that any further pact placing an obligation of military assistance upon Poland was unthinkable. He said that the underlying enmity and distrust between Poland and Russia was too deep-seated to permit contemplation of any such undertaking.

The Minister said that Beck had complained that the Western European nations had failed to consider the geographical position of Poland between Russia and Germany, and that Polish interests were the vital interests at stake when eastern frontiers were to be discussed. He said the Foreign Minister had emphasized that the fundamental international policy of Poland was to keep a free hand vis-à-vis Russia and Germany so that in the event of war by either of these nations Poland would not be committed but would be unhampered in an effort to maintain its neutrality, although eventually it probably would be forced to take sides with one or the other belligerent. Consequently, an obligation to either would present an intolerable situation for Poland.

I returned to the question of a possible pact of assistance or defense between Poland, Russia, and the countries of the Little Entente, or between Poland, Russia, and any one of these countries, and asked the question in several different forms, to all of which the Rumanian Minister replied that it was inconceivable, in his opinion, for Poland to enter into any pact with Russia involving military aid on the part of the Poles. He said there was in his opinion a more profound distrust in Poland of Russia than of Germany, and that in any event Beck had assured him that Poland could not be bound by an international agreement calling for aggressive action on the part of the Poles, but would continue to put reliance upon the non-aggression declaration with Germany and the non-aggression pact with Russia, which the Foreign Minister stated constitute the greatest possible assurance of peace for Poland.

Mr. Cadere said that Beck adversely criticized Great Britain, France, and Italy for their failure to take any concerted, determined action against Germany. The Foreign Minister, he said, believed that an Assistance Pact with military sanctions concluded between these countries would be the only effective measure against Germany, and that if such a proposal were executed the Poles, through the necessity of national protection, might be compelled to join. In answer to the query as to whether he would propose this to Mr. Eden, the Rumanian Minister said that Beck told him he would propose

nothing but that if Eden made a suggestion of this kind Beck would tell him the Poles would be receptive to such a suggestion.

I asked Mr. Cadere whether he had ever received an intimation that Poland would align itself with the Little Entente and Russia in the event that it should have to draw away from Germany. He said that he had not received any such intimation.

Directly after my meeting with Minister Cadere I went to the French Embassy and called upon Ambassador Jules Laroche, who told me that Minister Beck was very much disturbed over the international position of Poland since the announcement of conscription by Germany on March 16, 1935,[67] and especially over the alignment of the European powers opposing Germany. He said that in his opinion Poland realizes that the pro-German leaning attributed to it is becoming embarrassing and that it would like to move toward a closer *rapprochement* with France but that it waited upon the French to make the first friendly overture. The development of diplomatic events within the next few weeks, the Ambassador said, might make the German-Polish non-aggression declaration of January 26, 1934, an embarrassing one. He thought that Beck would try to force Germany to appear as the party violating the declaration in the event that Poland entered into any international agreement in conflict with it. As an illustration of the change of heart on the part of the Polish Foreign Office, the Ambassador drew my attention to an account emanating from German journalistic sources to the effect that the Polish Government had advised Laroche that Laval would not be invited to Warsaw. This was emphatically denied by the Polish Foreign Office and this denial was widely circulated.

I asked the Ambassador if he had any information concerning Ambassador Lipski's instructions to the German Foreign Office (Embassy's despatch No. 648, March 26, 1935 [68]). He said that Count Szembek, Undersecretary of State for Foreign Affairs, had shown him the memorandum of these instructions agreed upon by the Foreign Office and the Council of Ministers, and that the instructions charged Lipski to state to the German Foreign Office that its action in announcing military conscription was fraught "with grave consequences" which would further complicate the international situation in Europe and make the position of Germany a "difficult" one before the League of Nations. I asked the Ambassador if he considered this instruction in the nature of a warning. He replied that it was not a warning or a protest but a word of friendly counsel. He said that Lipski's announcement was not regarded as friendly in

[67] See telegram No. 49, March 16, 8 p. m., from the Ambassador in Germany, vol. II, p. 296.

[68] Not printed.

Berlin, however, but as a gesture in opposition to Germany. (This confirms information given me by Mr. Tolischus, correspondent of the *New York Times* in Berlin, who on April 1 told me that he was one of the foreign newspaper correspondents who called at the Polish Embassy in Berlin following publication of Lipski's announcement. He obtained the impression from this call that Poland had opposed the announcement of conscription in Germany and that it would oppose Germany before the League of Nations on April 15.)

Mr. Laroche said, in answer to my question, that in his opinion, based upon conversations with Beck, Poland would not enter into any pact which would obligate the country to military assistance. He said that Beck had declared that the fundamental policy of Poland, dictated by its geographical position, was to maintain peace with Russia and Germany, and that it could not enter into any international commitment which would involve aggressive action against either one or the other. He said that he was satisfied, despite seeming sympathy for Germany on the part of Poland during the past 18 months, that no understanding or agreement other than the declaration of January 26, 1934, exists between the two countries or was ever seriously contemplated or proposed. As far as Russia is concerned, he said that the dislike and distrust of the Poles for Russia is even more deep-seated and violent than their dislike and distrust for Germany. Asked if he considered a pact between Russia and the Little Entente and Poland likely, the Ambassador said such a combination was entirely too improbable even to consider. He said that he knew Marshal Pilsudski well and that the Marshal to his knowledge had a deep antipathy toward Russia and a violent prejudice against its good faith in the execution of any international obligation.

On April 4 I talked with the Czechoslovak Minister in Warsaw, Dr. Václav Girsa, who, replying to my inquiry concerning the possibility, in his opinion, of a defensive pact or pact of mutual assistance between the Little Entente, Russia and Poland, or between the Little Entente and Poland, said that any such pact is impossible. He said that Poland never regards the Little Entente as an entity; in its foreign relations it deals with Rumania, Czechoslovakia, and Yugoslavia as separate nations. He said that when the Eastern European Pact for Mutual Assistance was first proposed to Poland, Beck opposed it on the ground that Poland could not enter with Lithuania and Czechoslovakia into such a commitment. Beneš [69] then countered with the proposal that Poland sign the proposed treaty with the reservation that it undertook no obligation to give military assistance to Czechoslovakia or Lithuania, but Poland refused to do this. He said that

[69] Edouard Beneš, Czechoslovak Minister for Foreign Affairs.

the relations between Czechoslovakia and Poland are so unsatisfactory that no treaty involving military cooperation is conceivable between the two countries at the present time. This unsatisfactory relationship was brought about largely by the unfriendly feeling of Marshal Pilsudski and Foreign Minister Beck toward Foreign Minister Beneš of Czechoslovakia, he stated.

I also talked with Mr. Jacques Davtian, Ambassador of the U. S. S. R. in Warsaw, who told me that a pact of mutual assistance to which Russia, Czechoslovakia, France, Poland, and Germany would be the signatories had been proposed by his Government, but that Poland was opposed to this treaty as was Germany. He stated that in his opinion the situation that has arisen by reason of active military preparation on the part of Germany, which he said is now requiring great industrial effort by that country, is so critical that the Soviet Union would enter into a defensive agreement backed by sanctions with France, and probably with Czechoslovakia. He was certain that an agreement of some kind would result after Laval's visit to Moscow had taken place, and that if Poland and Germany refused to become parties to such an agreement the invitation to them to execute the agreement would be left open. He said that he had reliable information that the German military effort is proceeding at an incredible rate and that the discontinuance of munitions-making would so imperil the Hitler Government through the great increase of unemployment that would result therefrom that he feared nothing could stop this intense military preparation.

Comment.

The statements made by the four chiefs of mission whom I have quoted may, in my opinion, be accepted as entirely frank and accurate. My personal relations with these colleagues are most friendly and they spoke to me with the utmost candor. Their opinions regarding Poland's attitude toward Russia and the impossibility of a Pact of Assistance obligating Poland to give military aid to Russia in time of war are in accord with the opinion of this Embassy at the present time. As I reported in telegram No. 30, April 2, 12 noon, 1935,[70] the Embassy does not consider that the position of Poland is as yet clearly defined. The decision of Poland will depend in part at least upon the action that is taken at the Stresa conference. This action may compel Poland in the interests of self-protection to become a party to measures agreed upon by the Powers represented at the conference. This may put a strain upon Poland's obligations under the German-Polish declaration of January 26, 1934. But if no achievement other than non-aggression pacts results from the Stresa

[70] Not printed.

meeting, Poland will probably continue its present relations with Germany, and these relations then will more and more be subject to the construction that they indicate a Polish-German alignment as opposed to the policy of the Western European Powers and Russia. But this seeming Polish-German alignment will result only from the circumstance that the policy of the two Governments in this matter happens to be identical; not from any accord between them or any agreement to unite in a common front.

Respectfully yours, JOHN CUDAHY

741.60C/18

The Ambassador in Poland (Cudahy) to the Secretary of State

No. 661 WARSAW, April 5, 1935.
[Received April 18.]

SIR: Confirming my telegram No. 34, April 4, 5 P. M.,[71] I have the honor to report that yesterday I called upon Mr. Arthur Francis Aveling, Secretary of the British Embassy in Warsaw, and discussed with him the visit of Mr. Eden on April 2 and 3, 1935. The British Ambassador in Warsaw is slowly recovering from a serious illness.

Mr. Aveling told me that he was present at the meetings Mr. Eden had with Minister for Foreign Affairs Józef Beck and that he was also present at the meeting with Marshal Pilsudski.

Beck, he said, had emphasized the importance of Poland as a buffer State between Germany and Russia and the menace to Europe of a war. He said that Beck developed this thought at great length, calling attention to the war between the Soviets and Poland in 1920 which, he said, saved Western Europe from an invasion by the Soviets. He dwelt upon the geographical position of Poland and said that in order to preserve its national existence the country must maintain a neutral position between Germany and Russia and could not enter into any multilateral undertaking containing sanctions the execution of which would jeopardize this neutral position. So emphatic was the Foreign Minister on this point that Aveling said that Mr. Eden did not propose the participation of Poland in the Eastern Pact of Mutual Assistance. Beck stated that at the foundation of Poland's foreign policy are its Non-Aggression Declaration with Germany and its Non-Aggression Treaty with Russia.[72] The Foreign Minister, he said, stated that Poland also has faith in effective alliances but that it does not believe in alliances that are susceptible of conflicting com-

[71] Not printed.
[72] Signed July 25, 1932, League of Nations Treaty Series, vol. CXXXVI, p. 41.

mitments or that might be impossible of fulfillment. As an example of what he meant by an effective alliance, Beck cited the French-Polish Alliance.

The Foreign Minister solemnly assured Mr. Eden that no alliance or undertaking has been concluded with Germany other than the declaration of January 26, 1934. He said that declaration meant just what it said, and nothing further.

Mr. Aveling said that at the meeting with Marshal Pilsudski no definite foreign policy program was discussed. He said the Marshal, upon greeting Mr. Eden, said that he had received a complete report of Eden's meeting with officials of the Polish Foreign Office, that he had given the Minister for Foreign Affairs full authority to act in the premises, and that there would be no necessity to discuss the matters taken up at that meeting. Mr. Aveling said that Marshal Pilsudski spoke at length about Russia and the menace of Russia to the rest of Europe. The Marshal said that the British were playing a dangerous game when they attempted to enter into political negotiations with Russia. He said that no Englishman had any insight into the Slav mentality, and as an illustration of his statement he cited the policy of England in backing Denikin in 1918–1919.[73] Any Slav, said the Marshal, could have predicted that Denikin would never succeed and that his movement in Russia was from the outset doomed.

Mr. Aveling told me that Mr. Eden had told him in detail about his meeting with Hitler, and had made no attempt to conceal the sharp and apparently irreconcilable differences between Hitler and the British Foreign Office. Mr. Eden told Mr. Aveling that Hitler, without equivocation and very forcefully, had insisted upon his right to the 36 divisions set forth in his announcement of military conscription, and that he meant to augment the military forces of Germany regardless of all opposition. Mr. Eden said that Hitler stated that he would consider rejoining the League of Nations, but only upon the condition that the disarmament clauses of the Versailles Treaty were expunged.

Hitler expressed himself with equal clarity as being opposed to any pact involving mutual assistance, or to any consultative pact which would give the majority of the signatories the right to decide what constitutes an act of aggression and to take military measures against an alleged aggressor. He said that no nation was qualified to pass upon what was an act of aggression, and that this was clearly indicated by the War of 1914 when Germany was adjudged an

[73] See telegram No. 588, November 19, 1918, 7 p. m., from the Chargé in Russia, *Foreign Relations*, 1918, Russia, vol. II, p. 644; see also *ibid.*, 1919, Russia, pp. 425–777, *passim*.

aggressor although the Germans would never admit that they had been guilty of an act of aggression and from the German viewpoint were not guilty. He expressed himself as willing to consider any nonaggression agreement such as the Danubian accord, but reiterated his unqualified opposition to any such agreement as the Eastern Pact of Mutual Assistance.

Hitler stated very solemnly that Germany has no alliance or understanding of any character with Poland other than the declaration of January 26, 1934, which, he said, meant precisely what it purported to mean and would be faithfully executed by Germany.

Mr. Aveling said that Mr. Eden told him that Hitler spoke at great length and with great force on the impending peril to Western Europe of bolshevism. He called attention to the bolshevik attempted invasion of Western Europe in 1920 and said that Russia is now only waiting for the suitable moment to attack again. He said that the Soviets had built a tremendous military establishment, and that the only hope of saving Germany and all of Western European civilization was for Germany to rearm and prepare to meet the inevitable Russian onslaught.

Mr. Eden, Mr. Aveling said, had evidence that German munition factories were working day and night and that the German military preparation was proceeding at the highest possible speed.

With reference to the meetings in Moscow, Mr. Aveling said that Mr. Eden had told him that the Russian fear of an attack from Germany was even greater than the fear expressed by Hitler of a bolshevik menace. Mr. Eden said that this dread of an attack by Germany was expressed with great emphasis and in detail by Litvinov and Stalin, but that Litvinov could suggest no remedy for restraining Germany other than his proposed Eastern Pact for Mutual Assistance. Eden declared, said Aveling, that the Soviets are ready to sign any treaty, so thorough is the alarm regarding Germany. Great Britain advocates and strongly favors the Eastern Pact for Mutual Assistance, said the Lord Privy Seal, as the only present workable proposal for the control of Germany's military ambitions. He told Mr. Aveling that the British anticipate close cooperation with the Soviets, adding that the British and Soviet Governments see eye to eye in the present situation.

The purpose of his journey to Berlin, Moscow, Warsaw, and Prague, Mr. Eden told Mr. Aveling, was to ascertain the points of view at these capitals and with the information thus gathered to attempt to work out a feasible proposal to be advanced at the Stresa Conference. He said that Eden admitted that he has grave misgivings at the diversity of viewpoints that has been revealed and the difficulties that are involved, and that most careful consideration would

have to be given by the British Foreign Office to the possibility of finding some compromise that would coordinate these opposing viewpoints and that, even if it were not acceptable to Germany, would act as a guarantee of European peace against the Reich's determination to pursue a policy of military preparation.[74]

Respectfully yours, JOHN CUDAHY

862.20/950

The Minister in Czechoslovakia (Wright) to the Secretary of State

No. 142 PRAGUE, April 6, 1935.
[Received April 24.]

SIR: I have the honor to inform you that Captain Anthony Eden, the British Lord Privy Seal, arrived in Prague at 8 o'clock in the morning of April 4th, on his return to England from visits to Berlin, Moscow and Warsaw. He left for London at 1 o'clock the same day. During his stay in Prague he had a two hour conference with M. Beneš, who also entertained him, the members of his suite and the British Minister, at luncheon.

From an official of the Foreign Office, who is in close touch with M. Beneš, I am able to give what is apparently the official Czechoslovak reaction to the visits of Sir John Simon and Captain Eden to Berlin, and of the latter to Moscow, Warsaw and Prague.

With regard to the Berlin visit of the British statesmen, official opinion in this country is to the effect that, while the conversations there have established considerable differences in opinion on important issues between Great Britain and the Hitler régime, the visit has served a useful purpose, in that it has tended to clarify the general situation. The Foreign Office's information, as a result of M. Beneš's talks with Captain Eden and reports received from the Czechoslovak Minister in Berlin, is to the effect that Hitler cannot be won over to a collective security pact, such as was originally drafted by France and accepted by the Little Entente countries.

Czechoslovakia is pleased at the community of views between England and Soviet Russia, with regard to the general European situation, and the best means of insuring its peaceful development, which Captain Eden's conversations with Russian officials have seemingly brought out. She is glad that Russia seems to have succeeded in convincing England that the Soviets have no intention of directing any pact that they might sign toward the isolation or encirclement of

[74] By instruction No. 183, May 9, 1935, the Department commended the Ambassador for his reports on the political situation in Europe, the comprehensive information they contained having been "very helpful to this Government in its analysis of the general European situation."

Germany. The fact that Moscow officials were apparently able to allay Captain Eden's fears as to Bolshevik propaganda abroad have likewise gratified officials here, who have always feared lest the Bolshevik bogy might, in the final analysis, prevent England from cooperating with Soviet Russia.

The change in the attitude of certain European countries toward Soviet Russia, which until comparatively recently they had distrusted, as a result of the ever present fear of a Bolshevik menace, is ascribed by prominent Czechs to the following causes:

(1) The conviction that Russia has considerably modified her doctrines and methods, and has resolved to refrain from propaganda abroad;
(2) Russia has forsaken her previous policy which had for its object the overthrow by force of other governments;
(3) Russia is now making all possible efforts to maintain peace in concert with other countries.

Czechoslovakia therefore argues that it should not be difficult for European countries to decide whether to join a powerful country, like Russia, which stands for peace, or cast their lot with a country like Germany, known to be aggressive and to place "racial doctrines" before everything.

Captain Eden's visit to Warsaw was not so successful. Like his Berlin visit it was purely informative and, while undoubtedly serving the purpose of making better known the Polish point of view, it has seemingly not advanced matters with regard to general European security. M. Beneš does not attempt to hide his concern over the lack of cooperation being evinced by the Poles and, during the last few days, has spoken to more than one diplomat in this vein. It would appear that in his conversations with Captain Eden the latter held out the hope that he had succeeded in inducing Poland to drop her present attitude of "passive resistance", thereby increasing the possibility of cooperation in one form or another between the countries of Europe. M. Beneš, however, does not seem to share Captain Eden's optimism in this matter.

Czech officials with whom I have talked during the past few weeks, explain Poland's present foreign policy as follows:

Poland is vain enough to insist that she must be recognized and treated as a full-fledged Great Power by other countries, and she reproaches France and consequently feels vexed that that country failed to consult her before launching the Eastern Locarno Pact. She feels similarly toward Mussolini, on account of his Four Power Pact proposal. Czechoslovakia also believes that Poland is to a certain extent justified in opposing the Eastern Locarno Pact, as long as Germany refuses to become a signatory, since it is obvious that

in any war between Germany and Russia, Poland would become the battleground with resultant devastation and even threats to her independence.

The conversations between Captain Eden and M. Beneš in Prague were mainly informative. While the official communiqué, which I quote below in translation, states little, I understand that Captain Eden and M. Beneš were in entire agreement with regard to the matters which they discussed, namely, the four points of the London declaration of February 3rd last:

"At their meeting Minister Anthony Eden and Minister Dr. Beneš exchanged in the warmest and most friendly manner views with regard to the matters treated of in the London communiqué of February 3, 1934 [*1935*]. Minister Dr. Beneš warmly thanked Minister Eden for his visit to Prague and for the information which His Excellency gave him relative to the result of his trip to the other capitals. Minister Dr. Beneš himself gave a concise picture of Czechoslovakia's peace policy.

"Both Ministers found absolute agreement in the policies of their countries for the maintenance of general peace, as well as their strong and unalterable support of the policy of the League of Nations."

M. Beneš, I understand, explained to Captain Eden that his country's point of view with regard to the Eastern Locarno Pact, as well as the Central European Pact, has not changed; and that he hopes that the Great Powers, whose representatives will shortly meet at Stresa, will be able to find a solution for a collective security pact, in order to prove to Germany that neither France, Soviet Russia nor the Little Entente states have any intention of giving their signatures to a treaty which would mean either her isolation or encirclement. Thus Germany would be placed in the position of having to accept such a pact, failing which her bad faith would be definitely established.

I gather that M. Beneš is in favor of the Great Powers making as many concessions as possible to Germany, in order to win her support of a general security pact, which would take the place of the proposed Eastern Locarno Pact, which, in his opinion, would lose a large degree of its importance and significance without Germany. He also feels that England, in her endeavor to maintain the peace of Europe, has actually gone further than might have been expected. Nevertheless, while he believes that England might not oppose the conclusion of an Eastern Locarno Pact without Germany and Poland, he is convinced that France, Soviet Russia and the Little Entente countries should labor under no illusion as to the chances of that country signing a collective security treaty to which Germany refused to adhere. M. Beneš also believes that Signor Mussolini is in an excellent position to act as intermediary between Germany and the other powers, and

he hopes that at Stresa he will be able to advance a general security proposal which, acceptable to France and the Little Entente countries, will also meet with the approval of Germany.

Respectfully yours, J. BUTLER WRIGHT

862.20/904

The Ambassador in the United Kingdom (Bingham) to the Secretary of State

No. 1351 LONDON, April 8, 1935.
[Received April 17.]

SIR: I have the honor to refer to my despatch No. 1341 of April 2, 1935,[75] on the subject of Sir John Simon's visit to Berlin, and to my despatch No. 1342 of the same date [75] on Mr. Anthony Eden's visit to Moscow.

The joint communiqué issued at Warsaw at the time of Mr. Eden's departure, as published in London, reads as follows:

"During his stay in Warsaw Mr. Eden, the Lord Privy Seal, was received by the President of the Polish Republic and by Marshal Pilsudski. Mr. Eden had, in addition, several conversations with M. Beck, Minister of Foreign Affairs. He gave M. Beck an account of the recent exchanges of view which the British Ministers have had in Berlin and Moscow upon the basis of the London communiqué of February 3. During the conversations, which were cordial in tone, M. Beck gave Mr. Eden the views of the Polish Government upon the matters set forth in this communiqué, and upon the present international situation in general.

It was agreed that these exchanges of view, which were exploratory in character, had well fulfilled their purpose. The desirability of maintaining close contacts in regard to future developments in the European situation was emphasized."

According to the information available, it appears quite evident that the Warsaw visit was a success in the sense that it established friendly contacts and relations and made definitely clear that Poland has no intention of signing the proposed Eastern Pact, rejected by Germany and urged by Russia, on the general ground that this would be a poor exchange for the security offered by Poland's present pacts of non-aggression with both Germany and Soviet Russia. The Polish thesis seems to be that no regional Eastern security pacts could give her as much security as she now enjoys through her non-aggression treaties and her military alliances with France and Roumania.

The Prague visit, which was a very short one, produced the following joint communiqué, as published in the London Press:

[75] Not printed.

"Mr. Eden arrived this morning at Prague. At a meeting which took place at the Ministry of Foreign Affairs, Mr. Eden had a cordial and friendly exchange of views with Dr. Beneš on all questions contained in the London Declaration of Feb. 3.

Dr. Beneš warmly thanked Mr. Eden for his visit to Prague and for the communications made to him on the results of his visit to the other capitals.

On his side, Dr. Beneš gave Mr. Eden a detailed explanation of the peace policy of Czechoslovakia.

Dr. Beneš and Mr. Eden noted the perfect identity of the aims and policy of the two Governments as regards the safeguarding of peace in general, and their sincere and unchanging attachment to the policy of the League of Nations."

On his return to London from Prague, Mr. Eden's journey was broken at Cologne by illness, said to have been a heart attack. This resulted in the delay of his report to the Cabinet. The Cabinet, however, meets in full session to-day, when the reports of Sir John Simon and Mr. Eden are to be received and considered and policy for the Stresa meeting, scheduled for April 11, to be determined. In the present condition of his health, it is unlikely that Mr. Eden will be able to attend this meeting, but Sir John Simon will go and it is freely predicted in the Press that the Prime Minister himself will attend.

The general British feeling seems to be that Mr. Eden's mission has greatly smoothed the road for the Stresa conference next week. The Press generally has viewed the whole series of visits with satisfaction not so much from the view point of positive results, which were hardly expected, but because it is felt they have served a generally useful purpose in convincing the Governments of the countries visited of the sincerity of British policy in working for the peace of Europe through machinery providing collective security and in clarifying to them what the British policy really is.

Respectfully yours,

For the Ambassador:
RAY ATHERTON
Counselor of Embassy

862.20/845 : Telegram

The Ambassador in Italy (Long) to the Secretary of State

ROME, April 8, 1935—7 p.m.
[Received 8:35 p.m.]

188. I just had a conversation with Suvich, who leaves tomorrow for Stresa. He is hopeful of an agreement there but does not know the attitude of England.

As he explained to me, the Italian position is as follows: it is based on the program formulated at London on February 3d, which considers the Eastern Locarno and the other parts of that program as an entity. Following the formulation of the London program Germany denounced the military clauses of the Versailles Treaty. Then followed Simon's visit. The substance of the German position as developed to Simon comprises several points as follows:

1. Germany will not agree to an Eastern Locarno provided that the obligation is for mutual assistance against an aggressor. It will, however, agree to a provision to bind the signatories not to help an aggressor. In other words, Germany will not accept an active but will accept a passive obligation in connection with a nonaggression pact.
2. As regards Memel, Austria, and the demilitarized zone along the Rhine, Germany will not commit herself to guarantee their *status quo* but will insist as far as the first two are concerned that the populations have the right to choose their future allegiance.
3. As regards her military establishment Germany insists upon 36 divisions.
4. As regards an air force Germany announced to Simon that she had already an air force superior to that of Great Britain.
5. As regards a navy Germany demanded 35 percent of the strength of that of Great Britain and at least equal to that of France. When Simon informed Hitler that France already had 50 percent or a total tonnage of 600,000 tons Hitler replied that Germany would then demand 600,000 tons instead of 400,000 tons.
6. As regards large caliber guns and heavy military equipment Germany demands the immediate right to acquire guns equal to those of any other power and declines to consider limitation of armaments unless the other powers will agree immediately to reduce their guns in caliber and numerical strength to the size to be allotted Germany who shall have the presumed right to acquire up to that strength. If the decision of the other governments is to postpone reduction of heavy artillery for a period of years then Germany will in the meantime insist upon having heavy artillery equal to that of any other power after the acquisition of which she will consider reduction along with other governments.

With the London agreement of February 3d as a base and with the variations injected by virtue of the Simon–Hitler conversations, Italy will go to Stresa to insist that the French and English unite in a point of view to demand compliance by Germany with the London program. If Germany refuses, the Italian proposal would be that the other countries of Europe proceed to make the agreement without Germany. (The form which will enclose the notification to Germany if an agreement can be reached may be material in forecasting the future course at least of the continental powers.) Suvich, while he is ignorant of the attitude of England, is of the opinion that she cannot fail to accept the position which Italy will oppose [*propose?*]

which in the last analysis is a reaffirmation of the London program of February 3d and an insistence upon Germany's compliance with it. He regrets sincerely the illness of Eden for he feels that Germany's hand will be stronger with Eden absent for the reason that he thinks that Simon is of a compromising nature and will not take as firm a stand as would Eden. In addition to the most important subject, which is the position to take vis-à-vis Germany on the question of armament and nonaggression Eastern Locarno Pact, are also to be brought up at Stresa two other questions:

(1) the rearmament of the small powers Austria, Hungary, and Bulgaria, which were disarmed in treaties after the war in the same way Germany was. Italy will propose their rearmament but will oppose any unilateral action to secure arms by any of them. It will ask the powers signatory to the respective treaties to agree to reasonable armament for each of those three countries, basing their position on the ground that (*a*) the situation in Europe has so changed that these Governments are entitled to arms in order to protect themselves; (*b*) unless they are permitted to arm they may follow the example of Germany and proceed to do as they please on the theory that if Germany could violate the Treaty with impunity they also are relieved from observing similar articles of their own treaties; and (*c*) because if Hungary should begin to arm, Czechoslovakia would immediately interpose and Italy would be committed to defend Hungary. Suvich emphasized this as being a very dangerous situation and one which might lead to a real catastrophe. He was very pointed on that particular phase.

(2) the other point on the Italian program at Stresa, is pressing the specific guarantee for the independence of Austria and Memel and the inviolability of the demilitarized zone along the Rhine. Bringing in Memel and the demilitarized zone is no doubt a diplomatic maneuver to gain the cooperation of the Baltic States and Russia on the one side and to hold France and Belgium on the other.

As throwing some light on the interview I might add that Suvich is calm, fairly confident, and hopeful of avoiding a conflict. However, he declined to commit himself in response to my questions as to what would happen in case Germany refused to comply with their demands about armament or in case she failed to accede to any of the proposals which might be presented to her in a memorandum of any nature. He said that each time they proposed anything to Germany, Germany would answer that she agreed in principle but would lay down some condition. Subsequently they would frame a new position and propose that to Germany and again Germany would say that she accepted in principle but would lay down some other conditions. Each time they were getting closer to a precipice. Now they had reached the point where they were very close to the precipice.

Suvich thinks that the Conference at Stresa will be more important than that at Geneva believing that the meeting of the League of Na-

tions will be limited to a juridical inquiry as to whether or not Germany has violated the Treaty, the answer to which can only be in the affirmative. He doubts that there will be at Geneva a movement to invoke sanctions. He would not commit himself as to what the step might be following disagreement at Stresa or following the adjournment of the League without action.

I have also spoken with the Ministers of Lithuania and Czechoslovakia. The former is considerably depressed and entertains serious doubts as to the peaceful nature of the immediate future. The latter is not so fearful of a development against Germany out of the present situation as he is of the psychology in Europe and the danger that either in Memel or in Austria a little incident might be a spark to start the conflagration. Both of them are apprehensive and the latter is convinced that if military operations are prevented in the immediate future it will be only a temporary relief pending the certainty of an extensive war later this year or next.

Repeated to London, Paris, Berlin, Moscow, Geneva, Vienna, Praha, Belgrade, Warsaw.

LONG

740.0011 Mutual Guarantee (Eastern Locarno)/140

Memorandum by the Third Secretary of Legation in Latvia (Abbott)[76]

THE BALTIC STATES AND THE EASTERN PACT

In attempting to analyze the real attitude of the Baltic States toward the so-called Eastern Locarno Pact, a distinction must be made between the viewpoints of Latvia and Estonia, which in general are identical, and that of Lithuania, which is considerably different, in spite of the fact that as members of the recently formed Baltic Entente the three countries have officially followed a joint policy.

In brief, it is believed that Latvia and Estonia are fundamentally opposed to an Eastern Pact of mutual assistance for the following reasons:

1. They feel that the League of Nations, the Kellogg Pact,[77] their non-aggression and conciliation treaties with Russia, and the Baltic Entente should provide a very considerable degree of assurance for their independence and security, and do not therefore feel the necessity of making any special sacrifice for the purpose of obtaining additional guarantees.

2. They feel that such a sacrifice of their interests would be involved, as they consider that the inspiration for the pact is primarily Russian, that it is hostile in spirit to Germany, and that if they were to join

[76] Transmitted to the Department by the Minister in Latvia in his despatch No. 681, April 12; received April 24.

[77] *Foreign Relations*, 1928, vol. I, p. 153.

it they would place themselves under Russian influence and in opposition to Germany, and abandon their basic principle of following a neutral, independent, purely Baltic foreign policy.

3. They realize that a pact of mutual assistance of the type proposed by Russia and France involves an obligation to permit the passage of foreign troops in case of war, and that this would involve a serious danger to their independence.

4. They realize that by joining the proposed pact they would be forcibly drawn into any war breaking out in Eastern Europe.

It should be mentioned that the viewpoint of Finland appears in the main to be the same, and has been much more clearly expressed in the past—which probably explains why Finland was not included in the countries which were expected to join the pact.

On the other hand, Lithuania obviously favors the Eastern Pact. At the present time she has extremely close political, economic and military relations with Russia, and is predisposed to look with favor on any project sponsored by that power. Moreover, the present relations of Lithuania with her two powerful neighbors, Germany and Poland, are so strained that she is not inclined to scrutinize too critically any measure which offers her immediate additional security.

To understand the viewpoint of the Baltic States, one must take into account their previous history. Estonia and Latvia have a heritage of centuries of subjection under German and Russian rule which has left them with a dislike of their former masters, a somewhat elated appreciation of their newly won freedom, and a spirited determination to keep it. The past history of Lithuania differs from that of the other two Baltic states, firstly in that the pre-war land owners were Poles and not German Balts, and secondly in that Lithuania has had the experience of being at one time an independent and powerful nation. The memory of their past glories has a strong influence on the present character of the Lithuanian people.

The events of the years 1918–1921, when Latvia and Estonia experienced first a German occupation—with the accompanying plans for colonization of the Baltic Provinces with German ex-soldiers—and then a Bolshevik occupation, have also strongly influenced the viewpoint of these states. The land-owning peasantry, which is the backbone of both countries, has ingrained in it a distrust and hatred of Baltic Barons and German plans for expansion along the Baltic, but even more of Bolshevism. Both Latvia and Estonia are fortunate in having almost exact ethnographic boundaries and consequently have had no boundary disputes of any consequence. Lithuania, on the other hand, has the two serious problems of the Vilna and Memel districts which have embittered her relations with Poland and with Germany, and which influence her foreign policy almost to the exclusion of any other factors.

The geographic situation of the Baltic States makes their security a difficult and important problem not only to themselves but to their powerful neighbors. None of the three states have any natural boundaries (unless Lake Peipus might be so considered in the case of Estonia), and they are open to attack from both land and sea. They are certain to be the field of a war between Russia and any of her western rivals, especially a war between Germany and Russia. This strategic situation has always made difficult the relations of Latvia and Estonia with Russia, since both the former know that they have reason to fear Russia's natural desire to control an area so important to her defense, while Russia has always regarded with suspicion their relations with other powers; and any action not meeting with Russian approval has evoked accusations that the Baltic States were the tools of imperialistic powers preparing to attack Russia through their territory. This mutual distrust is one of the chief reasons why Latvia and Estonia have shunned too close relations with Russia but at the same time have been careful to avoid offending her. The history of security in the Baltic is thus largely the story of the efforts of three small new states to insure their independence, on the one hand, and the efforts of Russia to protect her western border, on the other.

When the Baltic States were being formed, and were bargaining for recognition from the Allied Powers, there was some sentiment in favor of a guaranteed neutral status similar to that of Switzerland. This idea, however, did not meet with much favor from the Western Powers, and was soon abandoned by the Baltic States themselves.

While they placed great importance upon their admission to the League of Nations and the security offered them by Article 10 of the Covenant,[78] the states formed wholly or in part from former Russian territory felt the need of some additional guarantee of their security and independence, since the Soviet Union was not a member of the League. In the case of Rumania and Poland, this additional security was obtained through a military alliance with France. The Baltic States on the other hand felt that the better solution was the formation of a Baltic union. Under the original idea, such a union was to include all the Baltic States from Finland to Poland; and in the early years of their independence considerable progress towards the formation of such a union was made. While its final accomplishment was prevented largely because of the seizure of Vilna by Poland, and partly by the inability of Finland to decide whether its interests lay with the Baltic or the Scandinavian States, a feeling of unity among the Baltic States and a desire to act together in all measures affecting their

[78] *Treaties, Conventions, etc., Between the United States of America and Other Powers*, 1910–1923 (Washington, Government Printing Office, 1923), vol. III, p. 3336.

security has always existed. This desire for joint action has always been opposed by Soviet Russia, and until 1934, with success.

Russian efforts to increase the security of its western frontier began with proposals for non-aggression pacts in 1922 and 1923. Nothing came of these proposals, and the question was allowed to drop until 1926, when new proposals were made to the five Baltic States. As Lithuania earnestly desired to strengthen her position against Poland, a non-aggression pact with the Soviet Government was concluded, and ratified in November [*September* ?], 1926.[79] After prolonged negotiations, a Latvian-Russian non-aggression pact was initialled in 1927. This treaty was never ratified, partly because of difficulties in agreeing on the terms of a conciliation convention which was to form an annex to it, and partly because of a change of administration in Latvia, involving the fall of the strongly pro-Russian Social Democratic Government which had negotiated the treaty. No progress in negotiating a non-aggression pact was made in Estonia; and the initialling of such a pact by Latvia aroused considerable resentment, as it was felt that the two countries should have followed a joint policy.

The satisfactory relations between Russia and Germany prevailing after 1926 greatly reduced the danger of war in Eastern Europe and caused a lapse of interest in security measures both in Russia and in the Baltic States. By 1931, however, conditions had changed. Russia was fearful of difficulties in the Far East, and the rise of Hitlerism in Germany was viewed with distrust. Russia accordingly approached all the states on her western border, from Rumania to Finland, with new proposals for non-aggression pacts. The plan was supported by France, which was also negotiating a non-aggression treaty with Russia at this time. The Baltic States could not well refuse this offer. Estonia, Latvia and Finland wished to negotiate jointly, but this Russia refused to do.

Finland was the first to sign,[80] followed shortly afterwards by Latvia, on February 5, 1932.[81] Latvia was considerably influenced during the negotiations by the fact that her commercial treaty with Russia would shortly expire, and it was hoped (as it turned out, in vain) that a conciliatory attitude towards Russia would assist the renewal of the commercial treaty. There was considerable opposition to the treaty in conservative circles, but Latvia did not dare to isolate herself after Poland had announced her intention of concluding such a treaty. Ratification however was delayed until June 18, in order that the Latvian and Estonian treaties should enter into effect at the same time. These non-aggression pacts were supplemented by the

[79] League of Nations Treaty Series, vol. LX, p. 145.
[80] January 21, 1932; see *ibid.*, vol. CLVII, p. 393.
[81] *Ibid.*, vol. CXLVIII, p. 113.

convention defining aggression, signed in London on July 3, 1933,[82] between Russia and a number of other powers including the Baltic States.

In the latter part of December, 1933, the Governments of Finland, Estonia, Latvia and Lithuania were informally approached by Russia and Poland with the proposal that the Russian and Polish Governments should jointly guarantee the security and independence of the Baltic States. The premature publicity which these proposals received hopelessly prejudiced all chances of their success; and the speech of Litvinov on December 29, 1933, in which he emphasized the interest of the Soviet Union in the security of the Baltic States, and even in internal conditions which might affect that security, aroused a considerable degree of distrust and apprehension in Latvia and Estonia. Considering that the acceptance of the suggestion so made would in effect put them in the status of protectorates of Russia, the four Governments thus addressed rejected the proposal—Finland with a brusque negative, and the others by countering, with cautious decisiveness on the part of Latvia and Estonia, and hesitancy and some indications of regret on the part of Lithuania, to the general effect that any such guarantees for the Baltic States should involve the participation of all the interested Powers.

At the same time there was a revival of interest in a Baltic Entente. This was furthered by the sudden Polish-German *rapprochement* early in 1934, which tended to eliminate Poland as a possible member of such an entente and at the same time greatly alarmed Lithuania and caused her to be more tractable. As a result, the Baltic Entente between Estonia, Latvia and Lithuania was initialled in Riga on August 29, 1934, and signed in Geneva on September 12, 1934.[83]

When Russia and France advanced the idea of an Eastern Pact of mutual assistance, which was to include Russia, Germany, Poland, Czechoslovakia, Latvia, Lithuania and Estonia, the political situation in Eastern Europe was extremely complicated. There has grown up a sharp antagonism between Russia on one side and Poland and Germany on the other. The Baltic States were extremely distrustful and nervous regarding the Eastern European policy of Nazi Germany; but Estonia and Latvia were even more distrustful of Russia and her new and exaggerated concern for the security of the Baltic States. They especially desired to avoid being drawn into the sphere of either Germany or Russia. The situation was further complicated by the considerable influence of Poland in both countries, and by the increased tendency in Lithuania to depend on Russian support in its

[82] League of Nations Treaty Series, vol. CXLVII, p. 67.
[83] *Ibid.*, vol. CLIV, p. 93.

disputes with Germany and Poland. Furthermore there had appeared in Latvia and Estonia authoritarian governments which were strongly anti-Communistic and anti-Socialistic.

The official attitude of the Baltic States towards the so-called Eastern Locarno Pact has, from the beginning, been favorable on the surface. The Foreign Ministers of Latvia and Estonia announced their general approval of such a plan on July 29, 1934, soon after the idea was put forward; but they were careful to state that this approval was only of a pact including all the Powers originally mentioned as signatories. Shortly afterwards, the Foreign Minister of Lithuania expressed a similar attitude during a visit to Moscow. The next official statement was some time later, at the first meeting of the Foreign Ministers of the newly formed Baltic Entente in Tallinn on December 21, 1934, when it was announced that "The three States reaffirm their sympathetic attitude towards the proposed Eastern Pact of Mutual Assistance, and they agree to regard this matter as a question of common interest, in relation to which they will maintain unanimity of action." This expression of approval was, however, somewhat hypothetical, since no text of the proposed pact had as yet appeared.

The British-French proposals for a general European security system, developed at the London Conference of February, 1935,[84] were followed by visits of the Baltic Ministers in Paris and London to the Foreign Ministers of France and Great Britain on March 9 and 13, respectively, for the purpose of announcing that the Baltic States were in favor of an Eastern Security Pact and were especially interested that this pact be made a part of the general European security system.

The indication of the attitude of the Baltic States was an article by Mr. Vilhelms Munters, Secretary General of the Latvian Ministry of Foreign Affairs, which was published in Riga on March 8, 1935.* In this article, Mr. Munters for the first time drew attention to the actual obligations which such a pact would place upon the Baltic States.

The mention by Mr. Munters of the question of the passage of troops is significant. In an informal discussion on March 17, with a member of the staff, Mr. Ludwigs Ekis, formerly Counselor of Legation in London, and Chief of the Western Section of the Ministry of Foreign Affairs, and now Minister of Finance, stated that letting foreign troops into Latvia, under a neutral guarantee pact, was one thing, but getting them out again was quite another. He intimated that Mr.

[84] British Cmd. 5143, Misc. No. 3 (1936): *Correspondence Showing the Course of Certain Diplomatic Discussions . . . June 19, 1934 to March 1936*, p. 15.

*Full translation transmitted with Legation's despatch No. 668 of March 30, 1935. [Footnote in the original; despatch not printed.]

Munters' mere mention of the point concerning the passage of troops was intended to convey a certain lack of enthusiasm for the pact.

In so far as the official attitude of Latvia and Estonia towards the Eastern Pact has failed to accord with their fundamental viewpoint as set forth above, the explanation is to be found in their unwillingness to put themselves in the position of directly opposing and antagonizing Russia. The fact that France jointly sponsored the plan, and that Italy and Great Britain have joined in treating it as an element in the proposed system of collective security, has also made it difficult for them to venture open disapproval. (In this connection, it is to be noted that Mr. Munters, in his article mentioned above, gives the impression that it was France alone which had originated the pact and which was chiefly interested in bringing it to a successful conclusion.) Latvia and Estonia felt, moreover, that they could safely support the idea of an Eastern Pact so long as they specified that it must include Germany and Poland, since they were convinced that these countries would never enter such an arrangement.

This view is directly confirmed by conversations which members of the Legation have had with Prince Michel Sturdza, Rumanian Minister in Riga, in which he stated that Mr. Munters had several times told him frankly that Latvia was basically opposed to the idea of any pact of mutual assistance which might place Latvia under obligations to permit the passage of Russian, German or Polish troops across Latvian territory, but that to avoid offending the Soviet Union or France, Latvia had so far given its qualified approval to the idea on this condition which he was confident would prove unrealizable.

While the visit of the Baltic Ministers in Paris and London lent itself to the appearance of Baltic support for the pact, and was apparently interpreted in this way throughout Europe, it is believed that this visit was really motivated by a fear lest the idea of the Eastern Locarno Pact might so evolve as to result in an arrangement by which the Western Powers, under the guise of having brought about an appeasement in the Baltic area by means of a regional agreement, would in effect have disinterested themselves in the further development of the situation there, leaving Soviet Russia implicitly to assume the position of their mandatory in dealing with such questions of regional concern as might arise. This fear gave point to their assertion of an interest in the question and their insistence that the proposed Eastern Pact should be dealt with as a part of a "general European settlement".

It is not believed that the decision of Germany to reestablish compulsory universal military training or the subsequent diplomatic visits

of Sir John Simon and Captain Anthony Eden have changed the attitude of Latvia and Estonia toward the Eastern Pact. The announcement of Germany's decision was received with rather surprising calmness in both countries. In a conversation with a member of the Legation on March 29, Mr. Munters intimated that the Latvian Government was not especially worried by Germany's action. He went on to state that Germany's refusal to join the Eastern Pact will cause Russia to abandon the idea of the pact and try to form a military alliance with France, which he believes the Russians want even more than the pact.

To sum up, it may be said that the basic objection of Latvia and Estonia to the Eastern Locarno Pact is that it is sponsored by the Soviet Government, and they feel that it is merely another effort to bring them under its influence and definitely force them to join the Soviet-French camp in opposition to Germany. The immediate objection to the pact is the obligation to permit the passage of foreign troops which is contained or implied in this type of pact. These countries realize fully the danger to their independence of any temporary occupation of their territory by either Russian or German troops.

In spite of these fundamental objections to the proposed Eastern Pact, it is believed that Latvia and Estonia would reluctantly join it if Germany and Poland should by some unforeseen possibility agree to do so. Much as Latvia and Estonia dislike the idea of the pact, they would dislike even more to find themselves so isolated as they would be by holding aloof in that eventuality. And it is probable that they would even more reluctantly join if Poland were to do so (even though Germany were to refuse) in order to avoid putting themselves into opposition to a preponderant grouping of Powers including all their immediate neighbors.

On the other hand it is believed that Latvia and Estonia would definitely refuse to join a pact leaving out Poland and Germany, as has recently been advocated in Soviet circles. As Mr. Munters intimates in his article, such a pact would be purely and unmistakably a military alliance against Germany. Lithuania would probably join anything that Russia insisted upon, even though it involved the break-up of the Baltic Entente.

What the Baltic States really want is to have their independence and security guaranteed by the Western Powers, especially Great Britain, under some plan which would be under the supervision of the League of Nations in which they have an extraordinary faith and loyalty.

G[EORGE] M. ABBOTT

[RIGA,] April 9, 1935.

836401—53——22

740.0011 Mutual Guarantee (Eastern Locarno)/122 : Telegram

The Chargé in the Soviet Union (Wiley) to the Secretary of State

Moscow, April 9, 1935—4 p.m.
[Received April 9—2:45 p.m.]

138. According to information received from Lithuanian Minister, Litvinov yesterday formally asked Estonian and Latvian Ministers to inform him within 2 days whether their Governments would be willing to enter into a pact of automatic mutual assistance together with the Soviet Union, France, Czechoslovakia and Lithuania. Lithuania he said had no other alternative but to enter such a pact. He did not indicate, however, whether Lithuania would do so independently of the other two Baltic States. He expressed concern over Polish influence on Estonian foreign policy.

Repeated Riga.

WILEY

862.20/860 : Telegram

The Ambassador in Italy (Long) to the Secretary of State

ROME, April 13, 1935—10 a.m.
[Received April 13—6:28 a.m.]

201. Official communiqué issued last night, and published this morning states that yesterday's session[s] at Stresa were devoted to concluding the discussions on the French appeal to the League, to a discussion of the Austrian situation opened by Mussolini, and to discussions of the Eastern and [Western] Air Pacts.[85] During the afternoon Simon gave further details regarding Germany's attitude as put to him during his Berlin visit and added that according to information received by him yesterday von Neurath [86] had informed the British Ambassador in Berlin that Germany was ready to participate in an Eastern nonaggression pact even if some of the states signatory thereto should conclude separate mutual assistance agreements among themselves.[87]

Morning papers state that during an interview last night to the German newspaper correspondents Simon stated that England was ready to furnish Germany with all explanations desired regarding the clause of noninterference in Austrian internal affairs but added that

[85] The proposal for an air pact (so-called "Western Air Locarno") between the United Kingdom, France, Germany, Italy, and Belgium was contained in the Anglo-French joint declaration of February 3, 1935; see British Cmd. 5143, p. 15.
[86] Constantin von Neurath, German Minister for Foreign Affairs.
[87] See British Cmd 5143, p. 24.

if Germany was not satisfied with such explanations England would conclude an agreement of noninterference in Austria with Italy and France anyway.

LONG

740.0011 Mutual Guarantee (Eastern Locarno)/148

Memorandum by the Chargé in Estonia (Carlson)[88]

TALLINN, April 15, 1935.

The American Chargé d'Affaires, a. i., at Tallinn called on the morning of April 15, 1935, on Mr. H. Laretei, the Assistant Estonian Foreign Minister, from whom he requested information concerning the recent Soviet overtures to Estonia respecting the possibilities for the conclusion of a pact of mutual assistance.

In response Mr. Laretei stated that on April 9, 1935, just prior to the departure of Mr. Litvinov for Geneva, a proposal on the above subject had been made to the Estonian Government by the U.S.S.R.; the proposal had approximately the following wording:

"It is now clear that Germany and Poland do not intend to adhere to the proposed pact of mutual assistance and for this reason the time has now come to make an agreement of the above kind without the participation of these two countries. On the occasion of Minister Seljamaa's[89] visit to Moscow in 1934, the latter had informed Mr. Litvinov that Estonia was not in a position to accept the proposed pact of mutual assistance because the proposal as first outlined by France contained no provisions under which the security of the Baltic States would be guaranteed by such a pact. If, therefore, Estonia would now agree in principle to enter into a pact of mutual assistance in which Germany and Poland were not included, Mr. Litvinov would, while in Geneva, take up with Mr. Laval the question of bringing into being the guarantees desired by Estonia."

Mr. Laretei said that in its reply to the above proposal Estonia had said that it was still too early to discuss the questions involved in the proposal properly, that the proposal itself was not quite clear, and that for this reason Estonia wished to have the opportunity of discussing the matter with Lithuania and Latvia before giving a final answer to the U.S.S.R. with respect thereto.

The Estonian Foreign Office had soon learned that similar proposals had been made to Latvia and Lithuania. Following the preliminary exchanges of information on this subject it had become clear that Latvia had taken the same point of view on the subject as had

[88] Copy transmitted to the Department by the Chargé in his despatch No. 345 (Diplomatic), April 16; received May 2.

[89] Julius Seljamaa, Estonian Foreign Minister.

Estonia. Lithuania, however, alarmed by the gravity of its relations with Germany, had been in favor of giving the Soviet Union an immediate favorable response to the latter's proposals. It had nevertheless refrained from doing so and in its reply to the U.S.S.R., had given no definite answer stating that it wished to have the opportunity of discussing the matter with Latvia and Estonia before doing so.

Mr. Laretei went on to say that on Thursday, April 11th, there had been a preliminary discussion of this subject at Riga between the Estonian and Lithuanian Ministers in that city. On the same day the Latvian Minister in Tallinn had informed the Foreign Office at Tallinn that Mr. Urbschis of the Lithuanian Ministry for Foreign Affairs had suddenly decided to proceed to Riga to take part in the above discussions. At the same time Mr. Laretei had been asked whether he would also go to Riga to take part in a conference of the three States, on this subject. Mr. Laretei had been asked to leave for Riga on the same day, but owing to pressure of work, his departure had had to be postponed until Friday, the 12th of April, on which date he had left for Riga.

The discussions at Riga, according to Mr. Laretei, had not centered as much in the recent Soviet proposals themselves, as in the question as to the date on which the final discussions thereof could take place. It had been decided, therefore, that there would be no official discussions on this subject until the first week in May when the Foreign Ministers of Estonia, Latvia, and Lithuania were to meet at Kaunas for their second meeting under the Treaty of Collaboration and Mutual Understanding which was concluded in 1934.[90]

Mr. Laretei went on to explain more fully the Estonian point of view with regard to the latest Soviet proposal for a Mutual Assistance Pact. He said that Estonia had declared its willingness to approve the London communiqué of February 3rd, 1935. He also said that the recent visits of British statesmen to European capitals had taken place for the purpose of securing information concerning the security systems foreseen in the communiqué. It was therefore quite clear that Estonia could not well commence the discussion of a pact which did not enter into the above systems. It had therefore been decided that Estonia could not do otherwise than to await the outcome of the two European conferences at Stresa and Geneva at which the above systems were to be taken up. Estonia preferred not to discuss matters relating to pacts outside of the above system until after the above conferences had taken place.

Mr. Laretei also said that in the recent proposal made to Estonia by the U.S.S.R. no mention was made of the other States which would

[90] Signed September 12, 1934, League of Nations Treaty Series, vol. CLIV, p. 93.

probably participate in the new pact. While at Riga he had learned, however, that, according to information furnished the Lithuanian Foreign Office by the U.S.S.R. authorities, the new pact was to include six States, i. e., the U.S.S.R., France, Czechoslovakia and the three Baltic States.

Mr. Laretei stated that at the Estonian Foreign Office the sincerity of the Soviet pact proposal had at once been doubted. The Foreign Office at Tallinn had gained the impression that Litvinov wished to have the support of the Baltic States in the discussions which he intended to carry on with M. Laval at Geneva concerning the advisability of the early conclusion of the Pact of Mutual Assistance. France was apparently somewhat hesitant, because of the passive attitude which the Baltic States had taken toward the above Pact. Consequently Litvinov's latest attempt to create Baltic interest in this measure, if successful, would, in the opinion of the Tallinn Foreign Office, have enabled him to bring pressure to bear upon France.

Mr. Laretei thereupon stated that as soon as the above proposal had been made to it by the U.S.S.R., information with respect thereto had at once been telephoned to the Foreign Offices at London and at Paris by Estonian representatives. At the latter capital it was said that France had no knowledge of the new pact which had been suggested by Moscow. The Estonian Minister at Paris had reported that the French Foreign Office did not seem to be particularly pleased with this latest Soviet step.

After the formal answers of Estonia and Latvia had been received in Moscow, Mr. Litvinov had stated that these formal replies were being regarded by the Soviet authorities as rejections of the U.S.S.R. proposal for a pact of mutual assistance. Mr. Litvinov had announced that he would not, therefore, undertake any steps with regard thereto while in Geneva.

Mr. Laretei then went on to mention the situation in Lithuania with respect to the proposed pact. While in Riga, Mr. Urbschis of the Kaunas Foreign Office had said that Lithuania's position in this matter was essentially different from that of either Latvia or Estonia. Following the report of the British Prime Minister Mr. Simon [*sic*] to the House of Commons in which he announced that Hitler was against the signing of a pact of non-aggression with Lithuania, the latter's situation had become difficult. Moreover, Lithuania's position had become uncertain because of recent military demonstrations made by Germany along the Lithuanian frontier. Mr. Urbschis had stated that these demonstrations had been very active and aggressive and that army tanks and military units had played important parts therein. Moreover, these movements had been under the direction of German officers who had been seen studying maps and pointing in the di-

rection of Lithuania. Lithuania had, therefore, become somewhat anxious and had feared that the Germans intended to commence some form of a military action in Klaipeda. Mr. Urbschis had also said that in Lithuanian circles it was felt that the proposed pact of mutual assistance with the U.S.S.R. might therefore afford a guarantee of its security and for this reason the acceptance thereof was being considered. Very strong representations had been made by both the Estonian and Latvian representatives at the Riga meetings in an effort to show to the Lithuanian representative the advisability of deferring action on the Litvinov proposal. Mr. Urbschis had finally stated that the Lithuanian Foreign Office understood, that the present moment was not a very favorable one for the acceptance of such a pact; and was, therefore, willing to give its agreement to the Estonian and Latvian proposals suggesting the postponement of action on the Soviet suggestion until after the European conferences at Stresa and Geneva had taken place and until the conference at Kaunas between the Baltic Foreign Ministers had been held.

Mr. Laretei said in conclusion that events which had since taken place at Stresa had shown the decision of the Baltic States to postpone the discussions of the Soviet proposal to be correct, the developments in Europe in the past three or four days having produced an entirely new political situation.

862.20/951

The Ambassador in Germany (Dodd) to the Secretary of State

No. 1931 BERLIN, April 16, 1935.
[Received April 24.]

SIR: In continuation of despatch No. 1924 dated April 11th[91] on the subject of general peace negotiations, I have the honor to report that following the Stresa Conference and prior to the continuation of the peace proceedings in Geneva there is a general feeling in Berlin that something was accomplished by the Conference, even though it may have been but Germany's acquiescence on a point which she believed unnecessary, in order to satisfy the suspicions of France, the well-known mutual assistance clause in the proposed Eastern Pact.

Whether it was cleverly planned or not does not seem material, but the fact remains that the mere inquiry from the Conference by telephone via the British Embassy in Berlin, as to Germany's attitude towards mutual assistance clauses binding on other signatories of an Eastern Pact, and her position in general at the movement,

[91] Not printed.

produced the feeling here that the German views were being given due (equal) consideration. An immediate reply was dispatched which was published in the Sunday (April 14) press as an official communiqué, translation of which is transmitted herewith as Enclosure No. 1.[92]

In some quarters it is believed that an important concession was made by Germany in the implication that whereas she would not be willing to agree to mutual assistance, she saw no objection to such agreements between other powers provided they were not linked with non-aggression pacts. Germany's logical, perhaps too realistic, argument was that with general non-aggression agreements, mutual assistance was not necessary. The pertinent portion of the official statement is quoted below:

"To this view as well, the German Government still adheres to-day. Just as it is, therefore, not in a position to join a pact which contains such military obligations as an essential element of its contents and thus of its existence, so such agreements outside of this pact cannot hinder the German Government from concluding, on its part, non-aggression pacts on the basis fixed above.

"This is the sense of the reply of the German Government to the question of the Royal British Ambassador whether Germany was prepared to conclude an Eastern Pact on the basis she herself had indicated, even in case other countries had concluded or were to conclude further agreements amongst themselves."

The balance of the communiqué patently reiterates Germany's policy and is generally known. In official quarters, however, even the portion considered as Germany's concession is stated to have been part of the policy from its inception. However, it does not appear to have been stressed previously, if mentioned at all, and one of the most hopefully significant indications is the apparent satisfaction with which the "concession" was received by France. According to the press, the protest of France to the League against Germany's unilateral action will probably now be confined to formal registration and a suggestion that provision be made against such action in the future. In other words, if this is true, there would seem to be a disposition on the part of all powers sincerely to arrive at some working agreement. Germany, by agreeing to mutual assistance among other powers stops herself from any possibility of making a stand against the new Franco-Russian agreement or any other similar understanding. That she does not like such agreements is obvious, and is illustrated in the following excerpt from the D.D.–P.K.[93] of April 11:

"The new Franco-Russian agreement explicitly refers to the Covenant of the League and aims at a more precise interpretation of certain

[92] Not printed.
[93] *Deutsche Diplomatisch-Politische Korrespondenz.*

of its articles with a view to action against a possible disturber of the peace. Outwardly, it is therefore apparently a part of the efforts towards effective organization of peace. In fact, however, the Franco-Russian agreement threatens to have the opposite effect since it really weakens the League as may be seen from the fact, that while referring in form to the League, it really permits the two countries in question to determine their action independently, in case no unanimous decision concerning who is to blame for a conflict is reached at Geneva. As France and Russia are permanent members of the Council of the League, unanimity is impossible if their politics run counter to the views of the other members. Lack of unanimity is, therefore, not a mere possibility but presupposed as the actual basis of the new agreement. Thus France and Russia are enabled to exert political pressure which practically robs the League of its freedom of decision. 'A League which would regard such an agreement as compatible with its Covenant, resigns in advance.' It would either have to agree to all Franco-Soviet views or give these nations an excuse for realizing their plans which they had determined in advance. By way of a 'definition of the aggressor' especially agreed upon, they evidently desire to secure the right to determine independently, at any given moment, whether, and from which quarter, an act of aggression has occurred, and to adopt measures before the announcement of a Geneva decision, or at least independent thereof. Thus, putting the apparatus of the League out of action, one reverts to 'mutual assistance' and the 'automatic initiation' of warlike activity . . . "

There is strong official opinion that if France will not press her protest to the League against Germany's unilateral action, and provided the Little Entente and Russia do not force anti-German action, the Conference to be held in Rome next month will see all powers represented, after which Germany's return to the League is likely. Whatever Germany may have in mind for the future, it is becoming clearer that she desires at least a temporary settlement of her European peace problem; expediency is assuredly an element and in this regard it is interesting to note a quickening towards a settlement caused by the Danzig election set-back and the consequent strengthening of the Foreign Office vis-à-vis the party.

Prior to the Stresa Conference and in spite of a tendency to disregard the serious aspects of France's protest to the League, there was considerable anxiety as to the attitude which the League might take in the matter. The press therefore built up arguments against it, as is illustrated in the rejoinder to the note, translation of which is transmitted herewith as Enclosure No. 2.[94]

There is also transmitted as Enclosure No. 3 [94] press reaction on the Stresa Conference.

Respectfully yours,

For the Ambassador:
FRANK C. LEE
First Secretary of Embassy

[94] Not printed.

862.20/945

The Ambassador in the United Kingdom (Bingham) to the Secretary of State

No. 1378 LONDON, April 17, 1935.
[Received April 24.]

SIR: I have the honor to refer to my despatches Nos. 1375 and 1377 of to-day,[95] on the results of the Stresa meeting, and to report that the Prime Minister in a statement made this afternoon in the House of Commons said that the first subject dealt with was the request of the French Government that the German action should be considered by a special meeting of the Council of the League, and the three Governments found themselves in agreement as to the recommendations that should be made to the Council. The Prime Minister quoted the White Papers containing the Conference communiqué as regards the view of the Conference on the effect of the German Government's announcement of rearmament.[96] The Prime Minister made other quotations and said that in spite of the changed situation the Conference decided still to discuss security in the terms of the Anglo-French declaration of February 3, which contemplated the negotiation of a general settlement with Germany. The Conference, he said, then dealt with the Eastern Pact and it was agreed that endeavors should be continued by the Powers concerned to proceed with negotiations which would cover Eastern Europe with a system of non-aggression and mutual assistance treaties.

The Prime Minister said the second concern of the Conference as regards security was that of the maintenance of the independence and integrity of Austria. The three Powers confirmed their previous declaration that their common policy would continue to be inspired by the recognition of that necessary objective. They also agreed to recommend that representatives of the interested Governments, including all those bordering on Austria, should meet in Rome at an early date with a view to concluding a pact of non-aggression and non-interference in Central Europe. The Prime Minister recalled that both as regards the Eastern Pact and the independence of Austria the British attitude had always been one of close and friendly interest, but that Britain had incurred no obligations except that of consultation in the event of the integrity and independence of Austria being threatened. No further obligation was added at Stresa.

[95] Neither printed.
[96] British Cmd. 4880, Misc. No. 2 (1935): *Joint Resolution of the Stresa Conference Including the Anglo-Italian Declaration and Final Declaration, Stresa, April 14, 1935.*

There was also brought to the notice of the British representatives at Stresa the desire of Austria, Bulgaria and Hungary to obtain a revision of the armaments clauses of the treaties by which they were bound. The Conference decided to recommend the interested States to examine the question with a view to a settlement by mutual agreement in connection with general and regional guarantees of security.

The three Powers further agreed to continue actively the study of the proposed Air Pact for Western Europe with a view to drafting a Pact and any bilateral agreements which might accompany it. The Prime Minister recalled that Italy and Great Britain had reaffirmed their Locarno obligations. The Prime Minister repeated that Britain had assumed no new commitments at Stresa; that they had not condoned Germany's action, but on the contrary had made it plain that they regarded it as a grave cause of unsettlement and a blow to any international organization of peace and order. Great Britain had kept the door open for Germany to join as an active partner in the movements planned to create a system of collective security in Europe. The Prime Minister said: ["]We have made it clear that our policy will continue to be based on the Covenant of the League. The three States represented at the Conference departed not as separate units, broken by the undoubted difficulties they had to deal with, but as a combination of States pledged to keep together and try to find peaceful solutions for present dangers in cooperation with every State willing to associate itself with their work."

Respectfully yours, For the Ambassador:
HERSCHEL V. JOHNSON
First Secretary of Embassy

862.20/998

The Acting Chairman of the American Delegation to the Disarmament Conference (Wilson) to the Secretary of State

No. 113 GENEVA, April 17, 1935.
[Received May 3.]

SIR: Supplementing my telegram No. 1038, April 17, 6 p.m.,[97] I have the honor to transmit herewith the complete memorandum of my conversation with Sir John Simon, which was summarized in the telegram under reference.

Respectfully yours, HUGH R. WILSON

[97] Not printed.

[Enclosure]

Memorandum by the Acting Chairman of the American Delegation (Wilson) of a Conversation With the British Secretary of State for Foreign Affairs (Simon), April 16, 1935

HITLER

Sir John Simon described Hitler as a man with four or five ideas for Germany—the racial theory, equality of treatment, strong defense forces, pride of manhood, etc.—simple conceptions. There is nothing complex about the man. Simon contrasted Hitler with Mussolini: the latter like a good boxer, shifting position from one side of the ring to the other, always ready to confront his opponent in any argument; while the former merely measures every thought brought to him by the yardstick of his preconceived theses for Germany. If these thoughts cannot be measured by his yardstick, they are rejected. Simon further characterized Hitler as: a lover of his country; a lover of music; a man of straight life from a sexual standpoint; not interested in anything except his government and his music; mobile musician's hands, fine eyes; otherwise insignificant.

I said to Sir John that I imagined the historian will take note of the fact that Mussolini turned anti-German following his meeting with Hitler and completely reversed Italy's previous policy of sympathy with German aims; and that after his, Sir John's, visit to Hitler had occurred Stresa, indicating solidarity between England, France and Italy. This was followed the next day by their joint presentation of the resolution before the Council. Sir John said, apparently thinking deeply, "You are right, chronologically, about Mussolini; I cannot speak for his thoughts. You are right both chronologically and psychologically about me."

IMPRESSIONS IN BERLIN

Sir John did not add very much in detail to the information I already had about the talks at Berlin, but gave me impressions which were important.

He is convinced that Hitler is not a man susceptible to argument; and Simon failed, he fears, to make any impression by his arguments. Simon felt that Hitler was a man so convinced of the might of Germany and of the rightness of its cause that he could afford to tell Sir John exactly what Germany had to have. This was not done by argument, but through mere declaration of Germany's wants. According to Simon, Hitler did not argue as to his needs, he simply told him. Hitler made no particular objection in principle to returning to the League of Nations and to the concert of Europe, but told Sir John that in all honesty he was going to tell him exactly what they had

to have in every direction in order to be satisfied. He gave no impression of trying to negotiate, but merely told Simon what he had to have. Hence his remarks about navy and colonies, which didn't strictly appertain to the discussion they were holding.

Austria

Hitler said that every Austrian had countless relatives in Germany; every German had relatives in Austria. They had a common history, common culture, common music. Hitler does not desire that any members of any other race should come within the Nazi boundaries. Austria is a different matter. Hitler believes that no matter what anyone does, Austria will eventually gravitate to Germany and to Naziism. Hitler stated he was so convinced of this that he was willing to sign any agreement for non-interference, but pointed out the difficulty of finding a definition for non-interference. For instance, he had asked: is it interference for the Little Entente to say that Austria shall not have a Habsburg ruler? Is it interference for Italy to loan Austria money on the condition that Austria makes no arrangement of an economic nature with Germany? Is it interference for Italy to mobilize three army corps on the Austrian frontier during a period of disorder within the country? Nevertheless, if a formula for non-interference, which appeared feasible, could be found, Hitler would agree to it.

Memel

Sir John said that he had taken occasion at Stresa to argue earnestly with Mussolini and Laval that Germany had a real grievance in Memel and that the three Powers at Stresa, plus Japan, were primarily responsible for the administration of the Statute of Memel.[98] They were in duty bound to see that the administration of the territory was fairly carried out; and that, furthermore, it would have a very fine effect in Germany and in the world at large to prove that their policy was not anti-Germany, but was anti-abuses, by sending a stiff memorandum to Lithuania on the Memel question. Sir John was happy to say that he had just initialed a stiff protest which would be sent conjointly by the three Powers to Lithuania and that they had determined to keep Lithuania in order and make it obey the Statute. Parenthetically, Sir John added that the message sent by Hitler to Stresa with respect to the Eastern Non-Aggression Pact did not alter Hitler's attitude towards Lithuania. This attitude was that a non-aggression pact could not be negotiated until the Memel matter was settled. Once that was settled Hitler had no objection to concluding a non-aggression pact with Lithuania.

[98] League of Nations Treaty Series, vol. xxix, p. 86.

Rearmament of Austria and Hungary

The rearmament of Austria and Hungary, said Sir John, had been an amusing episode throughout. He explained that Mussolini had pushed hard for an agreement by the three States at Stresa to permit the rearmament of these two countries on the ground that it was unfair to States which had lived up to their obligations to be given less privilege than one which had taken the law into its own hands. Of course, Sir John added, this represented solely Mussolini's desire to have an armed force in Austria to repel a possible *putsch* by the Nazis. Sir John had pointed out to Mussolini that one never knew what the future might hold and it might be very disadvantageous to increase the armed forces of Austria if later on they could be counted on the German side. Further, Simon pointed out that the three Powers could not assume the responsibility of declaring that the treaties should be revised. This belonged to the neighboring States primarily. It was finally decided at Stresa that this matter could well be brought up in the conference to be held at Rome at the end of May [80] and should form part of the agenda thereof. Now that the decision had been reached, Laval had made a public statement showing to his "little friends" how well he had defended their interests in this matter. Sir John was rather sardonic about this.

Stalin

Lord Cranborne,[1] who accompanied Eden to Moscow, told me that the latter had been much impressed by the personality of Stalin. Stalin was born in Georgia, had never or at least not for over twenty years, visited Western Europe. Nevertheless, he showed a remarkable grasp of the European situation. He not only showed sympathy and understanding of the problems of France, but, what was more remarkable, of Germany also. He showed none of the detestation and blind fear of Germany which characterized Litvinov. Cranborne described Litvinov's attitude as "largely racial".

Disarmament

I said to Sir John that he and Eden had gone to Berlin with the primary object in mind of talking disarmament matters. Since that visit the whole emphasis had shifted to other problems in Europe and disarmament had gone into the background. What did he foresee, if anything, in the immediate future on disarmament?

Sir John replied that Henderson [2] asked him that question yesterday and that he had told "the poor old fellow" that there seemed

[80] The projected conference at Rome on the Danubian Pact was never held.
[1] Parliamentary Private Secretary to the Lord Privy Seal.
[2] Arthur Henderson, President of the General Disarmament Conference.

to be three ways of treating the disarmament problem: First, to call the Bureau and the General Commission and hold a funeral for the Conference; second, to call a Bureau meeting and see what could be done either now or in the coming month; third, to keep the Conference alive in the hope that sometime in the future the constant kaleidoscope of the European situation would present an opportunity when something useful might be done. Of the three methods he had urged the third upon Henderson as the only one he could see as practical and useful at the moment.

Manufacture of Arms

Simon asked me how I thought the negotiations with respect to the manufacture of arms convention had gone. I replied that they had gone as well as could have been expected in view of the divergent theses, and that we have before us two texts to choose from—ours and theirs. They were well worked out and would require very little additional technical elaboration once we had agreed upon a compromise, if any. He asked whether I did not feel that their project was the only one possible under the circumstances. I replied that I didn't have to tell him, since I told him before in London, that our project was not an American project in the sense that it was an American conception, but that it was an attempt by us so to formulate the work already done as to give the possibility of universal acceptance. As to whether their project was a possibility, I could not speak at all for the French except to give my impression that they will be extremely reluctant to take so little. I explained I had not consulted my Government, but that I was sure in my own mind that unless the project contained some provision for numbers on guns above 155 mm., tanks, aeroplanes and ships, we would find it difficult to see that the project was worth writing. He asked me whether the British thesis had been to repudiate all mention of numbers, and seemed surprised thereat. I replied that it had most distinctly been and that this had been one of the elements preventing any possibility of compromise. I then said: "Sir John, this may be an indiscreet question, but I would like to put it nevertheless. Do you really want a treaty? Do you really think such a treaty as you propose would be useful?" Sir John replied most emphatically that he thought it would be highly useful as there were hopes of bringing both Germany and Japan into such a treaty; that he very much hoped that we could get together on it. On this point, however, I didn't go further because I didn't consider that the time was ripe without consultation with Washington. I merely agreed that I hoped so too.

Sir John added that Hitler has said that he would accept permanent and automatic inspection in connection with any "limitation agreement". Sir John deduced that he would not accept it for "manufacture".

THE PRESENT SITUATION

Sir John said that he didn't have to reiterate to me his conviction that the only salvation of Europe lay in getting Germany into the community. This was his own as well as his Government's conviction, and as far as he personally was concerned, there would be no toleration of any attempt to isolate and surround Germany. Hitler was a man not susceptible to argument but he might be susceptible if he were confronted by the fact that his action[3] had shocked Great Britain, France, Italy and most of the States of Europe. Sir John deplored that the French had ever brought the matter before the Council but once having brought it, he didn't see how Great Britain could dissociate itself from France completely. He had had a very difficult decision to make. Yesterday there had been thought of appointing Madariaga[4] as *rapporteur*, but Madariaga, as I knew, was a man who held decided ideas, and in contemplating the acceptance, he had shown that his conception of the job was to question all parties and then write his own form of resolution. This, according to Sir John, would have brought about complete discord and the French would not tolerate it. Laval had said last night that he would put in the resolution worked out at Stresa. Sir John had considered the matter during the night and had telephoned the Prime Minister this morning and finally reached the decision that it was better to go in on a joint resolution than at once to destroy the appearance of harmony worked out at Stresa. By accepting the joint resolution he had been able to modify the draft considerably and give real comfort to the French. For instance, he had eliminated with Laval a clause which spoke of "persistent and deliberate violation of treaty" on the part of Germany.

He asked me to ask him any questions, as responses to such questions would clarify his thoughts. I said: "The British position has been, and you state it is your own position, that the essential thing is to bring Germany back into the concert of nations. Isn't the joint resolution proposed to-day incompatible with such policy?" He replied that he didn't wonder that I asked such a question and certainly it troubled him no end to think that there was a danger of provoking

[3] Repudiation of the disarmament clauses, Part V, Treaty of Versailles, in conflict with the German rearmament program; for correspondence, see vol. II, pp. 294 ff.

[4] Salvador de Madariaga, Spanish permanent delegate to the League of Nations.

violent reaction in Germany; but he reiterated that Hitler was not in a negotiable frame of mind at the moment; that soft words would not make him more amenable. There might be a chance that realization of the state of mind that he had provoked in the world would give him pause. As for any conviction that British action in associating itself with the resolution might give to France that it now had England in its pocket for a policy of encirclement and armed alliance against Germany, this would be speedily dissipated, as the British public would not tolerate such a policy. There was no inconsistency in this, Sir John continued, because he thought it was perfectly consistent to say that you disapproved of an action which threatened the peace but at the same time were going to exert every means to bring the recalcitrant State back into the concert of nations and into harmonious discussions for a solution of the difficulties. He declared his belief that they would get the votes of all but a couple of the members of the Council and that this could not fail to impress Hitler and make the task of negotiating more easy. At the same time he did not hide his concern at the necessity for the joint resolution and again pointed out that a flagrant and open disagreement with France now was a more dangerous thing than the risks involved in the joint resolution.

In summarizing, my own impression is that Sir John is very unhappy, first, over the French having called the Council; [5] second, over any phraseology in the resolution which involves condemnation of Germany; third, at the necessity—as he calls it—of sponsoring this resolution on behalf of England. I also have the impression that he is fully alive to the dangers which this step might initiate, but that he has carefully weighed that danger and became convinced that a breach with France on this subject was still more dangerous.

H[UGH] R. W[ILSON]

862.20/930 : Telegram (part air)

The Consul at Geneva (Gilbert) to the Secretary of State

GENEVA, April 18, 1935—5 p.m.
[Received April 20—8:50 a.m.]

151. Consulate's 142, April 16, midnight.[5a] The atmosphere during the Council period in respect of the issues bringing to the surface expressions of opinion on the part of responsible national officials was comparable to that described in the Consulate's despatch No.

[5] Eighty-fifth (extraordinary) session of the Council of the League of Nations, April 15–17, 1935.
[5a] Not printed.

1135 (political) of December 26, 1934.[6] Such expressions aside from what actually transpired in the Council sessions afford something of a view of the general European situation; more particularly however they revealed the preoccupations which among others in the minds of the delegates governed their recent action and are still undoubtedly factors in future developments.

(1) Stripped of its details many of which remain confidential and can be judged only by inference the Stresa Conference is regarded as having achieved one main point in the establishment of a relative solidarity between Great Britain, France and Italy. This translated into military terms and so understood by the delegates of the three powers is that while Germany admittedly now or in the immediate future could defeat any one power she presumably could not defeat a combination of the three powers who are in accord at least respecting the reality and the common danger of the German menace.

(2) The Council session reaffirmed the prospect of common action by the three powers in the face of the situation described. This is of course aside from private understandings which may have been reached during the Conference. Incidentally difficulties were apparent to the achievement in a body like the Council operating under a definite mandate and partially fortuitous in its composition of concrete and unanimous action on question of such a character and significance.

(3) Despite statements emanating from Berlin before the Council meeting which were credited with being impelled by the situation described under (1) above, there was at the opening of the Council a general unanimity of opinion although expressed in widely differing terms that Germany's basic policy embraces definite objectives in territorial expansion primarily Memel and, deflected to the south by her Polish arrangements, Austria and secondarily the Teutonic portions of Czechoslovakia and the ultimate freeing of the Rhine zone from the militarization provisions.

There is also general agreement that a continuance of German rearmament at the present rate means a Germany prepared for warlike eventualities in approximately 1 year.

(4) Under the present set of circumstances it is not seen that Germany can expand on the continent by peaceful means. The alternative unless German policy be checked or altered is thus at least a local war and presumably a general war.

Great Britain, France and Italy have a common interest in checking or in some manner effecting a change in German policy. Russia and the Little Entente most particularly Czechoslovakia have a like

[6] Not printed.

836401—53——23

vital interest. This interest is in a greater or lesser degree also common to all Europe in view of the probably widespread involvements of any war. Possible checks to Germany are seen in (*a*) the general threat implied in (1) above; (*b*) a "preventative" war; (*c*) the application of sanctions; (*d*) the acceptance by Germany of an international arrangement.

(*a*) While the moral effects of Stresa were regarded as impelling German pacific statements particularly of her willingness to enter into a nonaggression pact, their efforts were frankly viewed at the opening of the Council session as maneuvers on the part of Berlin rather than as indications of a change in policy. It was felt that Stresa's threat to Germany must be implemented to be effective.

(*b*) While a preventive war has at no time been viewed as a probability there have undoubtedly been preoccupations concerning it. Aside from a desire to avoid any war it presents, however, important practical obstacles. It is believed that the only states which under the existing conditions could carry their peoples into such a war are Italy and Russia. Internal conditions would make such action difficult if not impossible for France and for all of the states of the Little Entente. In Great Britain there is an unwillingness both of the Government and of the people.

Thus the anomalous situation is produced that a checking of Germany by a war could presumably only be brought about by prior German action which in turn rests on Germany's military readiness which is rapidly approaching completion.

From a technical point of view also a war presents difficulties for the powers opposing Germany. This arises in definite measure from the position of Poland should she side with Germany or take a neutral position. In a war unless Poland took an active part against Germany she would constitute a definite threat to the Russian and Czechoslovak flank. Moreover, while responsible officials of the League disarmament section admit their belief that the figures which Russia has filed are below her real strength it is estimated that Russia's transport facilities are extremely inadequate.

(*c*) There is apparent a very evident unwillingness to impose sanctions at the present juncture. Sanctions to be effective would require united action and to advance the question and not to achieve unanimity would obviously produce a fatal breach in the common effort of the powers. The tendency during the Council [meeting?] was thus to turn for the immediate present to some other arrangements.

(*d*) Great Britain was the advocate of coming to the multilateral agreement with Germany. German pronouncements indicated, however, an unwillingness to go to the length of a mutual assistance pact which the French, Italians and Russians asserted to be the minimum basis on which they would accept a compromise with Berlin. Intimations from Germany of a probable unwillingness to include certain states in any multilateral arrangements seemed not only to render an agreement with her almost impossible but were also vividly indicative of the directions of her policy of aggression.

Despite the difficulty inherent in this as no other alternative seemed open, there was a tendency to seek a solution through future negotia-

tions with Germany particularly in the form of the conference on Austria which it was suggested should take place in Rome in the latter part of May.

(5) The British are finding it extremely difficult to reconcile themselves to their present role of occupying a partisan and thus a restricted position on the continent. Their aim is to bring Germany back into the concert of the powers and thus regain their liberty of action. Consequently London was the advocate of continued efforts to obtain Germany's adhesion to multilateral engagements. To the extent to which this is believed to be possible and to the extent to which it is believed Germany would fulfill in such undertakings the British policy is seen as the advancement of peace. To the extent to which the contrary is believed British policy is viewed as merely dangerous temporizing which accords Germany opportunity fully to rearm and as having only the merit of avoiding more immediate hostilities in the hope that some unexpected developments may give the situation a more favorable turn.

There were echoes here of a resentment of the British tendency to maintain unilateral contact with Berlin, accusations even going to the extreme of expressions of belief that the British Ambassador in Berlin inspired the German statement respecting the nonaggression pact which the British presented at Stresa as a means of support for their own thesis.

(6) Aside from questions of her intentions and the sincerity of her pronouncements, delay is seen in almost any eventuality as militarily favorable to Germany. Berlin's policy thus far has been seen as encouraging by such means as are at her disposal the continuation of the fluidity of all international discussions. The attitude of German "agents" here in expressing in receptive quarters a hopeful advocacy of a continuance of the Disarmament Conference is viewed as a case in point.

(7) French policy is obviously aimed at an encirclement of Germany and is viewed either as a necessity in the light of the character and intentions of Germany or as a necessity which France has created for herself by her continued unwillingness to come to terms with Berlin. In either case it is seen as a course tending toward eventual hostilities in some form.

(8) Russia and Czechoslovakia are most evidently animated by a genuine fear of Germany which has become the dominating factor in their policies.

(9) Italy has equaled if not exceeded the other great powers in pronouncements of her willingness to resort to extreme measures and has gone definitely further in material action including partial mobilization. There are rumors that in private conversations the members

of the other two delegations complained of what they characterized as the "weakness" of Mussolini at Stresa which is defined as an uncertainty respecting the probability of his living up to his pronouncements. This rumor is, however, possibly merely an expression in imaginative terms of the traditional belief in Italy's policy being at all times dictated by an absolute opportunism.

(10) Although outwardly exhibiting evidences of drawing closer to Germany Polish policy from the Geneva angle is still obscure. The paradox of her French alliance vis-à-vis her German arrangements was never more explicit. Her speech in the Council was credited as being designed for Berlin while her vote for the resolution was decisive for Paris. It is generally believed that Poland will continue if possible to follow a middle course while awaiting the outcome of developments.

(11) There is no question but that based on the situations described above the atmosphere of Geneva and of Europe, to the extent to which Geneva reflects it, is universally one of extreme pessimism. There is a disheartening lack of belief in the value of all pacts and incidental to this the feeling that the very multiplicity of arrangements operates to create involvements which are a danger in themselves. The only optimism shown is on the part of delegations which have succeeded in some element of immediate policy.

What Germany ultimately will do, aside from any pronouncements from Berlin and aside from any agreements by Berlin, is the point on which all speculation turns which is intensified by the belief that Germany will be prepared for material action in the relatively immediate future. The expectation of an armed conflict takes the form of a popular fatalistic belief in its inevitableness, a psychology more dangerous than jingoism as the latter usually is confined to a section of the population while the current feeling pervades all elements. As a pertinent example, the belief is widely held among the Swiss that when trouble next arises French and German military movements will involve the western cantons and that thus Switzerland will be drawn in. This attitude is reflected to a greater or less degree by all European governments by their military preparations.

(12) The solidarity of the three powers and Russia is obviously based almost solely on their immediate common cause vis-à-vis Germany. It is thus in that sense artificial with many delicate features. Any relaxation of the tension concerning Germany or perhaps even a reassertion of certain basic divergencies of interests between these powers are regarded as liable to induce at any time a break in their present common front.

GILBERT

862.20/912 : Telegram

The Acting Chairman of the American Delegation to the Disarmament Conference (Wilson) to the Secretary of State

GENEVA, April 18, 1935—6 p.m.
[Received April 18—3 : 55 p.m.]

1039. Conversations yesterday during the closing hours of the Council and again today confirm indications of British policy reported in my 1038, April 17, 6 p.m.[7] This confirmation is especially emphasized with regard to the seeming incompatibility of the British idea of the imperative necessity for bringing Germany into the community on the one hand with their feeling on the other hand that this cannot be done at this time by negotiation but only by a solid front, a front however which would not be a menace of encirclement. Many of my informants declared that they would watch closely the British press to see how far the Foreign Office intends to go in whipping up public opinion in England against Germany and in favor of "solidarity" it being considered that British opinion now lagged behind Foreign Office policy in this respect.

The matter is further complicated by the strenuous efforts being made for bilateral mutual assistance pacts which are essentially old-fashioned military alliances. These are being negotiated especially between the French and the Russians and Czechoslovakia and Russia. Such pacts of a menacing character for Germany now nearing completion (the understanding is that the Franco-Russian agreement is textually completed and only awaits Laval's visit to Moscow to be put into effect) are being negotiated simultaneously with the British effort for what might be termed a pure form of collectivity in which Germany's cooperation is earnestly desired. Whether they wish it or not it seems evident that recent British policy although adopted as the British claim for the purpose of bringing about a real collectivity with Germany as partner actually "legitimizes" and is inextricably bound up with these old-fashioned alliances described above.

Furthermore, many feel that while technically the British Government may be correct in saying that it has taken no further commitments on the continent actually the development of existing commitments is so pronounced as a result of Stresa and Geneva that substantially the British Government has advanced further along the lines of unified resistance to Germany than at any time since Versailles.

[7] Not printed; see despatch No. 113, April 17, from the Acting Chairman of the American delegation, p. 248.

The British seem to have gambled on Hitler's character and the susceptibility of German policy to the influence of solidarity. Only the future will show whether British action was wisely conceived.

I am reporting at length by mail as the present situation has so many angles and so many policies other than the British are involved as to prevent brief telegraphic exposition.

WILSON

862.20/979

The Ambassador in Italy (Long) to the Secretary of State

[Extract]

No. 1053 ROME, April 18, 1935.
[Received May 3.]

SIR: I have the honor to refer to my telegram No. 218, of April 18, 11 a.m.,[8] and previous telegrams and despatches on the subject of the Stresa Conference and to attempt herein some comment upon the agreements arrived at there, the methods used for obtaining agreement, and the probable consequences thereof.

The immediate effect has been salutary. The atmosphere has been calmed, the nervous state of military expectancy has been dispelled, military operations have been prevented, at least for the time being, and an atmosphere of tranquillity has been produced.

.

Examining each of these principal pacts briefly it is disclosed that the same principle is applied to each of them, i. e., an operation contemplated on the Locarno plan with the addition that the signatory Powers may make supporting bilateral treaties amongst themselves and that Powers not signatory may be brought in to the general operation of the pact by the expedient of bilateral treaties between them and signatories of the pact.

EASTERN SECURITY

As regards the Eastern Security Pact, the principle last enunciated is expected to be involved. France and Russia, so I have been informed by Mr. Suvich, were not in accord on the underlying principles of Eastern security. Russia wanted an automatic pact—one which would call for immediate assistance, military in character, in case there was aggression, and to come into operation *ipso facto* at the moment of an aggression. To this France objected, wishing instead to have an arrangement within the scope of the League of Nations, not automatic in character but which would call for a conference to determine upon the fact of aggression and out of which would come a

[8] Not printed.

decision for united action. To neither of these plans was Germany in agreement. That Government took the position that there should be no plan requiring the use of military force, though during the Conference she modified her position to the extent of saying that she would accept a pact such as she desired with the proviso that other signatories, in case they felt disposed, could make bilateral pacts of mutual assistance.

The matter was so complicated the conferees at Stresa were unable to agree upon an exact formula for execution so they postponed the question with the statement that they would continue negotiations with a view to developing the security of Eastern Europe.

Air Pact

The Air Pact, which was one of the elements of the conversations at London on February 3rd, was approached in the same manner. Italy had been opposed to the Air Pact on the Locarno principle because she would not be in a position to benefit by the help of England in case she were attacked directly or in case Austrian independence was threatened and she had to proceed against Germany without the assistance of France. So the same principle as proposed to be applied to the Eastern security arrangement was applied to the Air Pact, and it is to proceed upon the basis of Locarno leaving England and Italy as guarantors but not as guaranteed Powers with the proviso that these two Powers may proceed to make a bilateral arrangement between themselves supplemental to the air Locarno. This principle would be extended to include arrangements also between Russia and England, and Russia and Italy, and between France and Czechoslovakia, and Czechoslovakia and Russia. So that in this way they overcame the objections of Italy and were able to accommodate France in her desire to bring in Russia and Czechoslovakia with the supposed advantage to her side of having Czechoslovakia act as an air base for Russia. The German Ambassador in a recent conversation told me that Czechoslovakia had already arranged for air fields in far greater number than she could possibly use and Germany felt that these air fields were for the use of Russia as an ally of France and Czechoslovakia in the case of an operation against Germany.

Austrian Independence

As regards an arrangement to secure the independence of Austria, the same principle seems to have been applied. The position of Italy heretofore has been that France and England should agree to come to her assistance in case of an attack on Austria. This England has been loath to do. However, the proposal of Mussolini apparently adopted by the Conference is to merge the guarantee of Austria into a Da-

nubian Pact of which he has long talked as a separate proposition and to have all the signatories of the Danubian Pact agree to support the independence of Austria on the general principle that the Governments of the countries contiguous to Austria will agree to oppose any movement against it and that the other countries such as Bulgaria, Rumania, France, England, and even Russia, be brought into the arrangement by the negotiation of bilateral treaties amongst themselves which would come into operation in support of the countries immediately surrounding Austria. This makes Austria the center of European security and involves practically every Government on the Continent, except Switzerland, to oppose German aggression in Austria. The position of Germany vis-à-vis this question is one of decided opposition. The German Ambassador called upon me on the morning of April 16th. Parenthetically I will insert here that he told me several days before that during Simon's visit to Berlin, Simon had made the suggestion to Hitler that the German Government be represented at Stresa. However, the next day Simon had "diplomatically withdrawn the suggestion". Herr von Hassell did not on that occasion allude to the suggestion that his Government be represented at Stresa except to comment that Germany did not particularly like to be the subject of conversation in a meeting of other Powers called to discuss the action of its own Government. Proceeding, however, to a discussion of the Austrian situation, he said he did not know that his Government would be represented at the Danubian Conference called in Rome. He felt sure, however, that the divergence of view of the participating Governments would be such as to render it practically impossible to arrive at anything but a very general and minimum understanding. He commented upon the difference of opinion between Yugoslavia and Italy and upon the difficulties between Hungary and the Little Entente, as indicating the difference of the points of view which would prevent a unanimity in important matters.

The German Ambassador mentioned Austria and said that his Government could not consent, and would not consent, to a definition of the word "interference" in Austria to be rendered solely by the Government of the interested country. He elaborated by saying that if there should be an uprising in Austria and an attempt to march on Vienna by Austrians and the Schuschnigg[9] Government should call on Italy, the Schuschnigg Government might claim that it was being helped by Italy, but that Germany would consider it would be interference on the part of Italy. Contemporaneously, the Yugoslav Government would say that if Italy can send two divisions into Austria, Yugoslavia will send two divisions into Austria. At the same time his Government might take the same attitude. He said that his Govern-

[9] Kurt Schuschnigg, Austrian Chancellor.

ment would not consent to an arrangement which would permit an interpretation of the word "interference" to be made only by the authorities in control of the Government concerned, so that they could proclaim that assistance from one side would be non-interference, while assistance from another side would constitute interference.

The general attitude of the German Government toward all of the arrangements made at Stresa can be fairly inferred from the conversation of the German Ambassador regarding the Austrian arrangement. In addition to that, and speaking of the Eastern Locarno, he said that his Government would not engage itself in any way to use military force in conjunction with other Governments because Germany felt that an engagement to use military force was wrong in principle and contemplated the eventual use of that force; that his Government was willing to proceed to negotiate non-aggression pacts with the proviso that the other Governments concerned could, over the objection of Germany but nevertheless could, make mutual assistance agreements amongst themselves. He said that his Government did not approve of it and did not like the idea of an obligation calling for mutual assistance or the use of military force but that they would consent reluctantly to the conclusion of such agreements amongst other signatory Powers but would not themselves engage to do likewise.

German policy of course would find greater security in an agreement which did not contemplate the use of military force against an aggressor or which would not combine all of the signatory Powers in military operations against Germany in case Germany should be an aggressor. The Government of the Reich would prefer a loose arrangement of non-aggression pacts, so that in case they should be judged the aggressor there would not be any obligation on the part of all the other Governments to join in military operations against Germany. Rather the German Government would leave to chance and to expediency the opportunity to divide the other Governments and have some of them refrain from the use of military force against her than have a binding obligation calling for the use of that force and from which it would be hard for any of the signatories to such an agreement to escape.

Germany is also putting forth legal obstacles to an Eastern Security Pact in the form of an objection to the use of the word "aggressor". She wants an exact definition of that word and is not ready to agree to the Russian definition.

The truth is that Germany is not willing to accept any of these pacts and cannot do so and achieve her ambitions. If she accepted a mutual assistance pact and continued to pursue the course which she has followed for the last few years it is almost certain that she would some day be adjudged or be accused of being an aggressor and would call

upon herself the combined force of the other signatories. The same philosophy follows the German desire to have "interference" in Austria defined. So that it is safe to assume that Germany, while she seems to be checkmated for the moment, has not decided to alter her general policy any more than she will discard her ambitions or change her national characteristics, though it is conceivable that a change of administration within Germany might modify her course.

Mr. Suvich is highly gratified with the results of Stresa and is optimistic. He is more definite in the expression of his reaction on this matter than in any matter I have ever talked to him about concerning Germany. As reported in my telegram No. 218 of April 18, 11 a.m., he said he was definitely of the opinion that Germany had been stopped and he thought that the situation which now confronted Germany was one which would have a continued and lasting effect. However, I am afraid he is too optimistic. I cannot conceive that the arrangement will continue forever or that the psychological situation which permitted it will continue undiminished in intensity. When there is a relaxation, Germany will find some way of proceeding, in Memel or in Austria, and may have the temerity to proceed along the demilitarized zone on the Rhine, though I discount that probability on the theory that Germany's ambitions lie now to the east and south and that if she pursues a policy which does not unduly antagonize France along her boundaries, she will be less apt to draw France into any possible future disturbance. However, Mr. Suvich told me that Germany had commenced to violate the obligations of the Treaty of Versailles concerning the demilitarized zone and had already established fields for airplane use within that zone; had built houses which were susceptible of being used as storerooms for ammunition and bombs; had, as a matter of fact, sent into the demilitarized district members of the Reichswehr in plain clothes; and had an arrangement whereby the police of the demilitarized zone, though not nominally parts of the German army, were susceptible of being incorporated with it. Mr. Suvich is convinced that they will not proceed further in that zone and insofar as that is concerned, I am rather inclined to agree with him because it would be a gratuitous affront to France and cause an unnecessary exposure of Germany in some future military activity. However, I cannot be as optimistic as Mr. Suvich in reference to the Austrian and Eastern ambitions of Germany. Although I feel that, for the time being, the Stresa Conference has served to allay the fears of Europe that war is imminent. But I do not feel it has cured the troubles of Europe nor do I feel that they can be cured by military alliances or by enlarged armies, or by increased equipment. A result of the Stresa Conference is certain to be increased standing armies in Europe and more extensive

preparation for the eventual. That will continue unless and until Germany can be brought to agree solemnly, in conference, to military limitation. As soon as Germany agrees to such limitation she will have discarded her territorial ambitions because she will be inferior in numbers and in strength to those who have fears about her aggrandizement. So that while the effect of the Stresa Conference is good and has pushed back the clouds of war, it has not cured a situation which finds its roots deeply imbedded in the soils of fear, prejudice and hatred, and stretch out under the subsoil of a Europe marred by geographical boundaries, trade barriers and national ambitions, and heterogeneously fomented by different languages, religions, philosophies and racial instincts—all age-old and ineradicable.[11]

Respectfully yours, BRECKINRIDGE LONG

862.20/1030

The Acting Chairman of the American Delegation to the Disarmament Conference (Wilson) to the Secretary of State

GENEVA, April 20, 1935.
[Received May 8.]

DEAR MR. SECRETARY: You already have before you, in the reports of the Consulate, the details and day-by-day development of the meeting of the Council which closed on April 17th. It seems to me that it would be appropriate, now that the session is over, to put before you certain thoughts which this debate has brought to me, certain shifting phases of the political combination of Europe, and certain possibilities which this altered arrangement in Europe may bring to the future. All these matters are not only of profound interest of themselves, but vitally affect the phase of the problem in which we are immediately concerned—that of disarmament.

The scene of the last few days has been that of a confused and violent struggle between a number of forces; many of them visible and easy to assess; others hidden and only appreciable through their indirect results. I need only enumerate the Russo-French negotiations for so-called mutual assistance pacts, the Russo-Czechoslovak negotiations in the same direction; the powerful but invisible influence of Titulesco;[12] the pressure of Italy, inspired by Mussolini's recently adopted policy; the political necessity for Laval to bring home a victory on account of his shaken internal position; Poland's desire to stay in the middle of the road. I say I need only enumerate these, as

[11] By instruction No. 454, May 14, 1935, the Department expressed appreciation to the Ambassador "for the excellent analysis of developments in Europe" contained in the above despatch.

[12] Nicolas Titulescu, Rumanian Minister for Foreign Affairs.

any attempt at complete analysis is rather the work of an historian than that of a diplomatic officer reporting on the results.

The one factor which stood out predominantly and on which I reported in my telegrams Nos. 1038 [13] and 1039 [14] was what would be the position of England in answer to Germany's unilateral breach of the Treaty of Versailles and her decision, regardless of that treaty, to establish an army such as she wanted. It is hard to say that in this discussion Great Britain's position was the decisive factor—it certainly was the essential factor. It is difficult indeed to assess motives at any time. It is peculiarly difficult now to give a clear-cut picture of alignments in a few words. Hence, with all reserve for possible exceptions, until the meeting at Stresa one could align the States of Europe outside of Germany into two separate camps.

First, there are those who have believed ever since Germany left the League of Nations that it was folly to deal with her; that Hitler was a man utterly without trust and scruple; that Germany was an increasing danger and lived for nothing but the day on which a new and overwhelming aggression could be launched. Those who believed this thesis not only deplored the endeavors to bring Germany back into the harmony of nations, but rejoiced that Germany had left the League, inasmuch as to them this simplified the problem of utilizing the League as a method of encirclement and coercion for Germany. This group firmly believed that war was inevitable; their concern was to meet that war in the most advantageous moment and posture. In this class of States I would unhesitatingly put Russia and the Little Entente. It may be that latterly Italy has joined the group. Certainly from public utterances it would seem so, and Ambassador Long's reports appear to confirm the view. Turkey also would seem to have joined the group, though not one of the motivating forces. France has always, as I have many times reported, been torn between the desire to enter this group and the desire to remain in the other camp.

The second group is that represented by the policy of Great Britain. Great Britain has been the motivating force for neutral Powers of Europe and for those elements in France which still hope that there is a possibility of negotiation with Germany. The doctrine of this group is that peace in Europe is impossible unless Germany is a partner on an equal footing in the discussions with the other Powers. They not only deplore the idea of encirclement and isolation of Germany, but are firmly convinced that such methods will lead inevitably to war. They are apprehensive of the possibility of war, but determined to use every method to prevent it.

Thus it is clear that Great Britain's attitude is, as I have said before, the essential factor, and this will explain why, in my telegrams

[13] April 17, 6 p. m., not printed; see despatch No. 113, April 17, p. 248.
[14] April 18, 6 p. m., p. 259.

above referred to and in this report, I concentrate on this aspect of the confused situation. This may perhaps seem to place too much emphasis upon the role played by England, and, by excluding other considerations, may seem to over-simplify the problem. It is, however, my considered opinion that the position which England took alone made possible the resolution and the unity of front against Germany. This is the major factor in Europe today. Furthermore, Great Britain's attitude is the one of most essential concern to us, and upon it depends in large measure not only the fate of Europe, but very probably our own relationship to European affairs. This flows not only from our close relationship with the British people, but also because of their expert knowledge of the way to present their case before our public.

Now, however, the Council meeting is past and the edges of that alignment which I mentioned above have become blurred. Just where is Great Britain today? This is the point that not only interests us profoundly but probably is giving rise to more concern and speculation in Europe, and even in England itself, than any other factor.

It is difficult and sometimes dangerous to try to sum up anything as complex, as far-reaching and subject to as many influences as the foreign policy of a nation. Nevertheless, I believe it is correct to say that the guiding thought in British foreign policy today is that usually known as "the Foreign Office policy." It has always been considered that in the vacillation of the Government policy, the Foreign Office has consistently maintained that Germany cannot be dealt with on a reasonable basis; that negotiation with Germany, or rather negotiation on an equal footing with Germany, will lead to no results; that hence it is imperative that solidarity with France be maintained at all costs in order, in their opinion, to bring Germany to a negotiable frame of mind. These gentlemen have assessed the German mentality and have convinced themselves that Germany will acquiesce in a settlement and be reasonable only if confronted with a unified Europe against her with its implication of eventual force to resist her. At the same time—and this I must emphasize—the Foreign Office representatives have invariably stated emphatically that their purpose in maintaining unity with France was to bring about such a negotiable frame of mind in Germany as to bring Germany into the concert of nations and to keep Germany in a state of mind in which it would be a good and useful neighbor. Here is the contrast between the Foreign Office conception and the conception which I have sketched above as typified by the Little Entente and Russia.

The French themselves say, and Massigli [15] was definite on this point, that the Foreign Office conception won the day both at Stresa

[15] René Massigli, French Assistant Director of Political and Commercial Affairs.

and at Geneva. Vansittart[16] was present in both negotiations and even—according to Massigli—played the decisive role. In this connection, it is stated to me that only with the King's permission can the Permanent Under-Secretary be absent from the country at the same time as the Secretary for Foreign Affairs, and that, at the request of the Cabinet, who feared to let Simon go alone, the King in this instance gave his permission.

Great Britain, then, has adopted the policy of showing a united front to Germany. One may speculate on the results of this step both from an internal and an external point of view.

Internally there seems to be no question but that the predominant feeling in Great Britain is that it "will accept no new commitments on the Continent." Immediately after Stresa and immediately after Geneva, Cabinet members thought it essential to reiterate with emphasis that no new commitment had been accepted. Every Britisher with whom I have talked is profoundly convinced that in a democracy such as Great Britain there can be no automatic and immediate entry into war. No formula, no matter how precise, can be found by which a great democracy can be brought to enter into a war without discussion, without assessment of its own public opinion and on the vote of the Council or any other body of "foreigners". And yet, just such thoughts are stirring in the minds of practically every other State on the Council which played an active part in the acceptance of this resolution. Great Britain—for the moment at least—has thrown in its lot with those who believe, or profess to believe, that the only security lies in guarantees of swift, automatic, overwhelming response to an aggression. Not only are these thoughts stirring in the minds of Continental statesmen, but the fact that Great Britain has not only acquiesced in but sponsored the forming of a united front against Germany is feeding them raw meat. The French are already drafting proposals for the automatic embargo against a unilateral violator of a treaty of those raw materials which can be utilized in the manufacture of arms. It is interesting to speculate whether British public opinion realizes that the adoption of the resolution is the initial step in a direction along which they are reluctant to proceed.

Now what is to be British public opinion with respect to cooperation in economic or armed action if necessary on the Continent as a member of a coalition against Germany consisting of France, Russia, Italy, the Little Entente, Turkey, etc.? Can British public opinion be brought to this point even if Germany goes to the extent of a breach of the Rhineland demilitarized zone? I confess I do not know the answer to this—I can only say that on the answer must depend Britain's decision of major policy.

[16] Robert Gilbert Vansittart, British Permanent Under Secretary of State for Foreign Affairs.

From the external point of view, the fact that Great Britain has thrown in its lot with those who desire to form a united front and has sponsored a resolution to that effect cannot, in my judgment, fail to be an encouragement to the formulation of a mass of alliances directed against Germany. Whatever the names of these pacts, whatever the phraseology of these pacts, their purpose will be resistance if not coercion of Germany. The resolution itself and its very wording, to my mind, encourages and "legitimizes" such pacts.

After what I have written above, I don't believe it will surprise you if I say that the atmosphere in Europe after the Stresa and Council meetings is very similar to that immediately following the Armistice. Germany is "the enemy" and the whole idea and trend in most of Europe today is how to deal with her. In seventeen years of peace we have never had a really peaceful atmosphere, with the possible exception of the few months following the signing of the Locarno Treaties. Nevertheless, the situation now is more definite than during the period since the signing of the Versailles Treaty. There is a cleavage which is sharp and evident.

You may remember that I said in my telegram No. 1039 that, at least in Great Britain's action, the adoption of the resolution was a gamble on Hitler's character. The British state that they believe that the united front will make Hitler reflect, after his first spasm of anger, at the condemnation; and they believe and hope that he will make some move eventually to show that he desires to come back into the club in view of the moral censure which the club has expressed upon him. Whether this is true or not history alone will show. You will remember, Mr. Secretary, that Munch, the Danish Minister for Foreign Affairs, expressing the gravest doubts as to whether this resolution would serve its professed purpose or whether it would have exactly the contrary effect of destroying all hope of negotiation, closed with words which I can only echo. Here they are:

"I should like, however, to express the hope that events will prove that the three Great Powers who have put forward this proposal are right in their view of the effects which will follow from the adoption of this resolution, and I should like also to add the hope that they will succeed in bringing about an agreement between all the Great Powers of Europe, and thus give effect to the common aspiration entertained by all the peoples of Europe namely, an aspiration for their happiness which depends upon peace."

Regarding the aspect of this matter which is known as disarmament, I shall report in a separate despatch.[17]

Respectfully yours, HUGH R. WILSON

[17] See despatch No. 114, April 20, p. 51.

751.6111/71 : Telegram

The Ambassador in the Soviet Union (Bullitt) to the Secretary of State

Moscow, May 4, 1935—10 p.m.
[Received 11 : 40 p.m.]

177. I discussed with Litvinov this afternoon the Franco-Soviet mutual assistance agreement.[18] He was obviously delighted by the extent of the negotiations but even more so by the statement of Sir John Simon in the House of Commons on May 2nd.

If Germany attacked the Union of Soviet Socialist Republics and if in accordance with the Soviet-French agreement, France assisted the Union of Soviet Socialist Republics by attacking Germany the Locarno Treaty [19] does not impose the obligations on Britain to render aid to Germany.

Litvinov said that he considered this the most important development of recent months; that it indicated that the relationship of France and England was closer today than at any time in this century. He said that the final difficulties in drafting the treaty of Mutual Assistance had sprung from the unwillingness of France to do anything which might subject her to sanctions by England under the Locarno agreement. He added that he had discussed this question with Eden in Moscow; that Eden had adopted a favorable attitude, and that ever since the French and Soviet Governments had been attempting to obtain a public or written declaration from Great Britain. "At last we got it."

Litvinov added that the French had insisted on including article 2 of the protocol in the new Soviet-French Treaty of Mutual Assistance to cover this point and that the Soviet Government had refused until the last minute to permit the inclusion of this article of the protocol. He said that the obligations undertaken by France to come to the support of the Soviet Union had been without binding character until the declaration of Sir John Simon, but that Sir John's statement made French support of the Soviet Union in case of an attack by Germany absolutely certain.

Litvinov added that he felt especially sure of this because of the Baltic States barrier between Germany and the Soviet Union. It would be impossible for a frontier incident to occur between Germany and the Soviet Union which each side could blame on the other. German aggression against the Soviet Union would have to pass over the Baltic States and would, therefore, be clear aggression.

[18] Signed May 2, 1935, League of Nations Treaty Series, vol. CLXVII, p. 395.
[19] Signed October 16, 1925, *ibid.*, vol. LIV, p. 289.

Litvinov went on to say that he did not consider that this treaty gave the Soviet Union full security; that the only final security of the Soviet Union lay in the Red Army, but he did feel that it would make it impossible for Germany to initiate an attack on the Soviet Union. The situation had become somewhat comic he commented. Japan was waiting for Germany and Poland to attack the Soviet Union and those countries were waiting for a Japanese attack. Neither the enemies of the Soviet Union to the East nor those to the West dared to initiate such an attack. "They are waiting, let them wait", he chuckled.

Litvinov said he felt the Treaty between France and the Soviet Union would compel Hitler to concentrate his line of advance on Austria, Czechoslovakia and the Balkans. He said that he considered the situation in Austria extremely dangerous. He added that Russia had taken no commitments whatsoever with regard to Austria and would take none. Parenthetically he remarked that Russia had taken no commitments for the defense of Belgium just as France had taken none for the defense of Lithuania.

Litvinov said that the most interesting thing to watch now would be the action of Poland. He said that until a few days ago Beck had continued to scoff at the idea that the Franco-Soviet Agreement for Mutual Assistance would finally be concluded. He said that Poland's relations with Germany had, however, become much worse in the past few weeks and that he had some hope that Laval's visit to Warsaw might swing Poland into the Franco-Soviet orbit. He added that the Polish Government had now stated officially that it was prepared to adhere to the proposed Danubian Pact [20] provided that Hungary should join the pact. No similar reservation had been made with regard to Germany's joining. He commented that relations between Poland and Hungary were now extremely intimate and that Poland had refused to give any guarantees whatsoever with regard to its actions if Czechoslovakia should be the object of attack (Titulescu's similar remarks to me on this subject were, I believe, transmitted to you by Ambassador Straus).

Litvinov went on to say that he considered the situation of Czechoslovakia scarcely less dangerous than that of Austria. I asked him if it was still the intention of the Soviet Union and Czechoslovakia to sign an agreement for Mutual Assistance similar to the Franco-Soviet agreement and if so, when such an agreement would be signed. He replied that his discussions with the Czechoslovaks had not yet assumed

[20] See report No. 14215 by the Acting Military Attaché in Italy, January 10, 1935, p. 170.

any definite form but that some such agreement would probably be signed.[21]

I asked Litvinov if conversations between the general staffs of the French and Soviet Armies would be begun at once. He replied with a broad smile that that was a military matter beyond the competence of his Commissariat. (Radek [22] in discussing the Franco-Soviet agreement with me last night said that in his opinion its only real importance was that it would permit the staffs of the French and Soviet Armies to begin such conversations immediately and that he knew the conversations were to be begun at once).

Litvinov then said that the United States seemed to be much less excited than Great Britain about Germany's naval rearmament and asked me if our Government intended to make any protest against the reconstruction of the German Navy and if our Government would insist on the calling of a naval conference. I replied that I had no information on these points. (I should be obliged if I might receive in confidence a statement of our attitude with regard to the naval conference.)[23]

In conclusion Litvinov said that he felt the signature of the Mutual Assistance Agreement with France had produced a new constellation in European politics and constituted a clear warning to Germany that aggression would be met by force.

The diplomatic corps in Moscow is engaged in commenting skeptically on the tortuous wording of the Franco-Soviet Pact which is held to indicate an abundance of mutual suspicion and attention is called to the fact that it does not affect the chief danger points in Europe: Austria and Lithuania.

Repeated to Riga, Warsaw, Berlin, Paris, Rome, London.

BULLITT

740.00/38

The Under Secretary of State (Phillips) to the Ambassador in Turkey (Skinner)

WASHINGTON, May 9, 1935.

MY DEAR MR. AMBASSADOR: The Department has received your despatch No. 590 of March 28, 1935, regarding the European political situation, and appreciates the interest you have taken in analyzing present trends and conditions. I note particularly that in your last paragraph you express the opinion that the maintenance of peace in

[21] Agreement signed at Prague, May 16, 1935, League of Nations Treaty Series, vol. CLIX, p. 347.

[22] Karl Radek, editorial writer on the Soviet newspapers *Izvestia* and *Pravda*.

[23] See Department's telegram No. 95, May 7, 6 p. m., p. 162.

Europe could be assured only by a declaration from every European power renouncing all territorial claims for a 25 year period and that such a declaration could be successfully obtained only through the initiative of the President of the United States.

We are in general agreement with the conclusions reached by you respecting the position of the principal powers today, but I wonder whether your specific suggestion as to the prevention of war would not involve dangers which render its execution inopportune at the present juncture?

The present controversy in Europe boils down in essence to one between the "*status quo* States" and the "revisionist States", a controversy which has continued in one form or other since the conclusion of the peace treaties. This Government has consistently refused to take a part in dealing with this issue, regarding it as an essentially European political problem. Any intervention on the part of the United States would necessarily involve it in, or be interpreted as, an alignment with one or the other camp and give rise to the claim that in sponsoring such a proposal the United States had given an implied promise of aid in carrying it into effect and in preventing its possible subsequent violation.

It appears doubtful, moreover, whether the States belonging to the revisionist camp would be willing to adhere to a 25 year guarantee of existing territorial settlements, since to do so would involve an abandonment of their fundamental position and an acceptance of the thesis of the "*status quo*" group of Powers. I fear therefore that a proposal along the lines you suggest would almost certainly be doomed to failure and might, on the contrary, still further aggravate the situation.

Sincerely yours, WILLIAM PHILLIPS

760N.00/116

Memorandum by the Minister in Latvia (MacMurray) [24]

RIGA, May 10, 1935.

In the course of a casual conversation on the subject of the present European situation, Mr. Tripier [25] expressed the currently orthodox French viewpoints that Germany considers it a right and indeed a duty to dominate Europe, and will sooner or later resort to arms in order to achieve that purpose; and that while France would infinitely

[24] The Minister was accredited to Estonia, Latvia, and Lithuania. Copy of memorandum transmitted to the Department by the Chargé in Latvia in his despatch No. 805, July 20; received July 30.

[25] Jean Tripier, French Minister in Latvia.

prefer to establish a system of security in which Germany would participate, she finds very little encouragement in Germany's attitude, and sees no alternative but to encircle Germany with a combination of superior armed force—a policy which, he admitted, might well prove in the end to have made a new European war inevitable, but which would at any rate tend to postpone such a catastrophe for longer than would one based upon a misconception of Germany's intentions.

Beyond developing this familiar thesis, Mr. Tripier went on to comment that there had been a further particular reason for the recently concluded Franco-Soviet Treaty. Up to the time when Hitler came into power in Germany, he maintained, there had been a very close relationship, involving a considerable degree of cooperation, between the German and Soviet Governments: and even now, although the Nazi and the Communist Governments themselves are "like cat and dog", there continues to exist a large measure of collaboration between the Reichswehr and the Red Army. When, therefore, the French Government found the U.S.S.R. again turning towards the West, it felt that it was vitally necessary to assure that Russia should not make the choice of participating in European affairs as a collaborator with Germany, but should be won over to cooperation with the opposing group; and the recent Treaty was regarded as a necessary means of ensuring that result.

With regard to the position of the Baltic States in relation to the general European situation, Mr. Tripier expressed a serious apprehension lest Germany's projected construction of a considerable naval force in Baltic waters would compel the U.S.S.R. to build in competition with her a fleet for which Kronstadt (Leningrad), the sole Russian Baltic port, could not afford an adequate base: and that this would predispose Russia towards a policy looking to the reacquisition of the ports of Reval (Tallinn), Riga and Libau, at the expense of Estonia and Latvia.

MacM[URRAY]

760N.00/116

Memorandum by the Minister in Latvia (MacMurray)[26]

RIGA, May 14, 1935.

Mr. Munters,[27] in reply to a question, expressed himself as very well satisfied with the results of the recent meeting of the Ministers for Foreign Affairs of the Baltic States, at Kaunas, May 6–8, saying

[26] Copy transmitted to the Department by the Chargé in Latvia in his despatch No. 805, July 20; received July 30.

[27] Vilhelms Munters, Secretary General of the Latvian Ministry for Foreign Affairs.

that it had completely served its purpose of maintaining among the three States a coordination of views such as would obviate any possibility that divergencies would develop. I raised the question whether the other two States had found an obstacle, or at any rate a potential difficulty, in the disposition of Lithuania to fall in with the Soviet suggestion that the Baltic States, Czechoslovakia and Russia should join in some sort of an agreement for mutual assistance. He said that no concrete obstacle of the sort had arisen, that the Lithuanian Government had in fact neither done nor said anything which stood in the way of an entirely harmonious agreement upon the joint policy to be adopted by the three. He went on to say that, in the "somewhat strained situation" in which Lithuania had recently found itself, she had felt a need of some outside support, and had not only looked in the first place to the other Baltic States, but had inclined towards seeking such security as might be had from a closer understanding with the Soviet Government. But the Soviet had not in fact offered any concrete assistance, and, in view of her having no common frontier with Lithuania, could scarcely have offered to go to her support without having previously made arrangements with both Latvia and Poland—arrangements to which neither one of them could be expected to consent. The impression which he conveyed to me was that, in spite of a bias towards Russia, Lithuania had realized the impracticability of making herself dependent upon Russian support; and, now that the Memel question with Germany had become less critical, had no longer been disposed to insist upon a rather desperate policy of subordination to Russia.

As regards the Memel question itself, he felt that it was now beyond the danger point—that the tension of feeling on both sides was abating; and that, in view of the greater interests at stake elsewhere, not even a serious incident could now provoke Germany into taking direct aggressive action against Lithuania.

With regard to the general question of security in Eastern Europe, he insisted that the Baltic States are interested not with a view to obtaining a greater degree of direct assurance for themselves, but with a view to the establishment of some sort of equilibrium, between Russia and Germany, such as will obviate, at least for the time being, the danger of hostile action between them. He said that the Franco-Russian understanding, which in itself has only a psychological significance beyond what is already written in the League Covenant,[28] but which might readily be made the basis of an armed alliance in case of need, would for the immediate future restrain Germany—per-

[28] *Treaties, Conventions, etc.*, 1910–1923 (Washington, Government Printing Office, 1923), vol. III, p. 3336.

haps for long enough to allow the present phase of exalted nationalism to run its course. He felt, however, that sooner or later this understanding between France and Russia must be subsumed into some more general arrangement, as it would otherwise degenerate into a mere combination against Germany, which would of itself be a challenge and a provocation. What the nature of such a more general security arrangement for Eastern Europe might be, the Baltic States did not greatly care; they would be prepared to fall in with any really practicable arrangement that the Powers more directly interested might succeed in working out. It was obvious that such an arrangement could not take the form, which Russia had desired, of an agreement for mutual assistance: Germany and Poland had both refused point-blank to consider such an arrangement, and the French negotiations with Russia had developed that France herself was not prepared to go so far. He in fact referred to "the danger of a pact of mutual assistance"; but when I asked if this phrase meant that the Baltic States would consider themselves endangered, he would not concede that that was the case, but referred in rather general terms to the danger of unexpected interpretations that might be given to any agreement that was too far-reaching in the obligations it imposed, and dismissed the point with the remark that the whole proposal had "washed out". He surmised that it might prove possible to work out an Eastern European security arrangement along the lines of non-aggression and non-assistance to an aggressor, as suggested by the German Government through Sir John Simon at Stresa. He remarked, however, that only the British Government had thus far made any effort to promote a settlement along those lines, though possibly the failure of the French and Russian Governments to take up the suggestion was a merely temporary result of tactical considerations connected with their own negotiations.

To my surprise, he expressed quite unreservedly his opinion that the Russians had "tricked" the French into the recent agreement, through a year of negotiations in which the French had been outwitted and led on to a position from which they could not find any way of retiring. The agreement, he said, gave Russia the benefit of French support in the event of an attack by Germany, but, in view of the lack of a common Russo-German frontier, gave France no corresponding possibility of support from Russia.

Upon my asking whether he gave any credence to the belief that the underlying motive of the French government was to forestall a *rapprochement* between Russia and Germany, he unhesitatingly said that he was sure of it—that the relationship, particularly between the Russian and German armies, had been very close before the time

751.6111/76 : Telegram

The Ambassador in the Soviet Union (Bullitt) to the Secretary of State

Moscow, May 15, 1935—midnight.
[Received May 16—5 : 06 a.m.]

196. I talked with Laval this afternoon. He had been much pleased and impressed by his visit to Moscow. Stalin [32] personally made a great impression on him and I gather from Russian sources that Laval made an extremely favorable impression on Stalin.

Laval said that he had begun his conversation with Stalin in the usual vague diplomatic manner and that Stalin had interrupted him saying "I cannot talk in diplomatic language, I am not a diplomat", whereupon he had replied "all right, you will get it straight", and had at once told Stalin the French could not understand the camouflage of the actual dictator of Russia and world Communism pretending that he had nothing to do with the Comintern and foreign Communists and that French public opinion certainly would not understand if Stalin did not now give orders to the Communists in France to cease opposition to the army budget and to the 2-year service law. He said that Stalin had replied "I agree" and had promised to make a veiled public statement which is to be issued this evening in the communiqué to the effect that Stalin understood and fully approved of France's policy of maintaining her armed forces at the level of security (I have received the information from another source which I consider reliable that Stalin also agreed to give private orders to the French Communists through the Comintern to cease agitation against French military preparations. I also understand from the same source that as soon as Stalin has given these orders the French will permit Soviet Consuls to be placed at Lyon, Marseilles and other French cities.)

Laval said that he had also stated to Stalin that in order to cultivate the ground for a fruitful Soviet-French friendship it would be necessary for the Soviet Union to make some arrangement about payment of the Czarist debts to France and had asked Stalin to abandon his position of categoric refusal to discuss the matter. He states that Stalin has agreed to do this. (From another sure source I learned that negotiations for a commercial arrangement between [the] two countries will be begun at once and that payments on the Czarist debts may be provided for in the framework of a commercial agreement accompanied by credits). Laval assured me that no specific plan had been discussed by him and Stalin but I understand that

[32] Joseph V. Stalin, Soviet Secretary General of the Central Committee of the Communist Party.

the French hope to have the Soviets agree to a 10 percent additional tax on all Soviet importations into France. The proceeds of this extra tax would be applied to the Czarist debts. The French Ambassador who was present at the conversations between Laval and Stalin said that Stalin had agreed to take up the matter of the debts if the French could devise a formula which would not involve a legal recognition of them. This promise of the Soviet Government has a familiar sound but the French are most pleased by it.

I asked Laval what he intended to do about Austria in case it should go Nazi as a result of internal combustion and not visible external pressure. He said that he had not yet had to cross that bridge and would not until he had to. He said that the Italians would undoubtedly ask for France's support for an invasion of Austria and that he would have to discuss the matter in Geneva.

I asked if conversations would be begun at once between the general staffs of the French and Soviet Armies. He said that of course such conversations would take place but that it was probable that nothing spectacular would be done as he was especially anxious to have the Franco-Soviet agreement [33] appear to the world not as an alliance for war but a pact for peace. He added that in all his utterances here and in the future he intended to hold out a welcoming hand to Germany.

I have received information which I consider reliable that discussions between the Russian and French general staffs will not begin until the Soviet-Czech agreement has been signed.[34] (The Czechoslovak Minister this afternoon informed me that the Soviet-Czech pact would probably not be signed until the meeting in Geneva and probably would be signed there). The conversations between the staffs of the Czechoslovak and Russian Armies will then be begun and the French general staff will be drawn into the discussions.

I asked Laval if there were any truth to the rumor which is prevalent here to the effect that Poland had informed France, Czechoslovakia and the Soviet Union that if the Soviet-Czech pact should be signed Poland would refuse to join any Eastern pact and that he and Stalin had decided that in spite of any position the Poles might take the Soviet-Czech pact should be put through as planned. He replied that there was no truth in this rumor and that he expected that as a result of his conversations in Warsaw the Poles would enter into an Eastern pact of consultation, nonaggression and nonassistance to an aggressor but without the mutual assistance clause. The Polish Ambassador today told me virtually the same

[33] Signed May 2, 1935, League of Nations Treaty Series, vol. CLXVII, p. 395; also printed in British Cmd. 5143, Misc. No. 3 (1936), p. 26.
[34] Signed May 16, 1935, League of Nations Treaty Series, vol. CLIX, p. 347.

thing as Laval. He indicated, however, that Poland was averse to the inclusion of Czechoslovakia in any Eastern pact.

Laval assured me that the question of French loans to the Soviet Government had not been discussed but I understand from another source that if necessary the French Government will advance funds for military preparations to the Soviet Government privately through advances by French banks to the State Bank in Moscow.

Litvinov will not accompany Laval to Cracow.

I understand that Litvinov has been invited by the French Government to return Laval's visit and that his visit to Paris will be the occasion of a spectacular reception.

In conclusion Laval said that as a result of the Franco-Russian pact he was most optimistic as to the possibility of preserving peace in Europe. He said that he felt that the British were closer to France than ever before and added that he was being extremely careful to do nothing to touch British sensibilities in any way and that he would continue to hold out the hand of welcome to Germany as cordially as any Englishman could desire.

BULLITT

862.20/1023

The Ambassador in Germany (Dodd) to the Secretary of State

No. 1987 BERLIN, May 18, 1935.
[Received May 28.]

SIR: In continuation of the Embassy's despatch No. 1971 of May 9, 1935,[35] and in summarizing the international situation from the German standpoint just prior to further pronouncements by the Chancellor [36] which will quite likely definitely mark either increased European alignment against Germany to a point where peace cooperation is impossible or a conciliatory attitude on the part of Germany which will bring hope to a neurotic continent, I have the honor to report as follows:

Although one or two feeble attempts had previously been made by the other European powers to ascertain the Reich's position by a concrete statement of foreign policy, the Franco-British communiqué of February 3, 1935,[37] was the first definite acknowledgement by those powers of Germany's armaments, and resulted in the crystallization of Germany's foreign policy. Germany was not quite ready at that time to state a policy but the communiqué precipitated its formulation

[35] Not printed.
[36] Speech to the Reichstag, May 21, 1935; see extract, "The Thirteen Points," British Cmd. 5143, p. 32.
[37] British Cmd. 4798, Misc. No. 1 (1935).

and after certain maneuvering, Germany proclaimed the establishment of general military conscription and an air force, in violation of treaty provisions, on March 16 and March 10, respectively, as forerunners to a policy announcement. Incidentally the discussions relative to an Eastern Pact, with its well-known "mutual assistance" clause, are not mentioned here in connection with the establishment of a policy in spite of the fact that such a pact later became an important part of the policy; it is only one of a large number of considerations. Just recently it has been stated in reliable quarters that regardless of any approaches or proposals made by any of the other powers, Germany would have announced conscription and a foreign policy in May or June of this year, and such a statement is given weight by the fact that conscription details are just now being completed, two months after the announcement. It is to be noted that military strength and foreign policy are regarded as inseparable.

When it was apparent that Germany had decided on a unilateral course of action, it became all the more necessary to obtain a statement of policy, and with this in view the Simon visit to Berlin was arranged. At that time, Hitler was at the peak of his power. Nazi theory had hitherto been largely nourishment for the spirit only; the bold assertions of equality were actual meat and drink, and although war may have been in the minds of many, there were but few who, unconsciously at least, did not feel that they had been freed of the humiliation of a defeat which they had never admitted.

With universal approval ringing in his ears, Hitler, ever the temperamental egoist whose background of newly acquired success did not develop long range foresight, approached the Simon conferences with colossal self-assurance, and while the difficulty of argument against his apparently sincere protestations of peace and good-will is admitted, it is not difficult to understand that the British delegation left Berlin with misgivings and no particular feeling of confidence. They did leave, however, with a fairly definite impression of the Nazi—or Hitler—foreign policy, and there then followed various movements towards alignment against Germany throughout Europe and a succession of unforeseen set-backs, both domestic and foreign, for Nazi policy. These may be set forth briefly:

1. The Stresa Conference resulted in a fairly definite alignment of England, upon whom Germany had counted to at least maintain an "understanding" attitude, with the other powers.
2. The Geneva resolution, unanimously adopted, against the unilateral action of Germany with regard to the Treaty of Versailles. Germany had counted on Poland, Spain, and some of the South American countries to vote against it.
3. The Danzig election returns gave National Socialism a bare 60 per cent, when up to 90 per cent and at least a constitution controlling two-thirds were fully expected.

4. The Franco-Russian pact agreed to May 2, which Germany hoped to the last would not be signed, and in which she sees an important encircling move against her. In this was seen further evidence of British alignment against her, as the latter do not envisage assistance to Germany under the Locarno treaty in case Germany were to be attacked by France.

5. The *rapprochement* of France and Poland following the visit of Laval to Warsaw where the Franco-Russian pact was apparently satisfactorily explained, and the death of Pilsudski which is feared will result in greater Polish leanings towards France.

6. The greater political and economic solidarity of the Baltic states following the conference in Riga which ended May 8.

7. The Russo-Czechoslovak pact signed May 16, along the same lines as the Franco-Russian pact which establishes an important point of operation for Russia in Czechoslovakia in case of conflict.

8. The disturbing internal conditions in Germany, as outlined in the Embassy's despatch No. 1984, dated May 17, 1935.[38]

9. Attitude of Little Entente and Balkan States.

Since Hitler's sharp rejoinder to the League's resolution on April 20, not only have most of the above outlined developments taken place, but there has been time for reflection. Germany had counted very largely on British, and, to a great extent, Polish support. Now she finds it difficult to understand the British attitude in combining conciliation and firmness as outlined by MacDonald, and she grasps desperately at such innocuous pronouncements as were made in the House of Lords debate on May 6, condemning the League's resolution against her. Her instinctive national aggressiveness is probably as much responsible for her attitude as Hitler and Naziism. Neither is entirely unreasonable, for Germany has never wholly accepted her international obligations and Hitler has consistently repudiated them.

However, her only foreign sources of solace, if they may be called such, are the Memel jurisdiction at which she rightfully points the finger of scorn, and the Italian-Abyssinian difficulty over which the League, and Italy's two collaborators France and England, apparently have no control.

Since May 1, Labor Day, there has been a noticeable domestic reaction to the Nazi buoyance culminating in the conscription and foreign policy statements. Labor is restless, prices are going up with the resulting dissatisfaction, factions are increasing, and changes in the high ranks of the Party are rumored. Hitler made no constructive statements in his Labor Day speech, as apparently had been expected.

With all of these matters to reflect on, it is expected that Hitler will probably have a great deal to say in his Reichstag speech on May 21. This speech has had an interesting history. It grew out of a speech

[38] Vol. II, p. 266.

which was to have been made by Blohmberg [39] on May 9, on the subject of the general conscription in which the detailed regulations were to have been announced. On May 2, the date the Franco-Russian pact was signed, Blohmberg's speech was cancelled and it was announced that Hitler would make the announcement, May 17 being set later. With many of the events outlined above developing recently as a background for consideration, Pilsudski's death was cause for a further postponement to May 21, and according to reliable information, Hitler wished to take into consideration also any developments arising out of a possible talk between Laval and Göring, who proceeded to Warsaw and Cracow as Germany's representative at the funeral ceremonies. In fact, it has been stated that Laval was considering a conference in Berlin until the Polish dictator's death seemed to provide another arrangement.

What the Chancellor will say is, of course, impossible to predict. It is a foregone conclusion, however, that he will cover a vast amount of ground and for that reason it can be judged that his foreign policy will be publicly outlined. High Nazi officials have stated that he will cover "everything" which will include not only foreign affairs, but the army and navy, internal affairs and the economic situation.

With all of the recent developments in mind, the Embassy believes that while he will explain at length his previous stand, he will be forced to adopt a certain conciliatory attitude; in fact it has been confidentially intimated that such will be the case.

There is transmitted herewith a summary of the German press view of international affairs [40] covering the period since the last despatch.

Respectfully yours, WILLIAM E. DODD

765.84/341 : Telegram

The Ambassador in the Soviet Union (Bullitt) to the Secretary of State

Moscow, May 29, 1935—10 p.m.
[Received May 30—6:58 a.m.]

214. I had several conversations with Litvinov. He said he felt the agreement reached at Geneva with regard to the dispute between Italy and Abyssinia was not a real solution and that he believed Mussolini would evade arbitration and attack Abyssinia as soon as the rainy season was over about September 1.

He said that he, Laval, and Eden had suggested to Mussolini that he should not involve Italy deeply in Abyssinia as such involvement

[39] Gen. Werner von Blomberg, German Minister of Defense.
[40] Not printed.

would make it impossible for Italy to intervene effectively in Austria. He alleged that Mussolini had replied that the independence of Austria was a European question and not one for Italy alone and that he had no intention of opposing Germany in Austria unless he should receive full support from France and England.

Litvinov added that France had as yet made no definite commitments to Italy. He said that Mussolini had further expressed the opinion that Germany would not be ready to attack anyone before the end of 1937 or the beginning of 1938 and that long before Germany should be in condition to attack Italy would have Abyssinia firmly in its hands. He added that he, Eden and Laval all agreed that there was no possibility of Germany attacking anyone until the end of 1937. Litvinov said that he, Laval and Eden had taken a very serious view of the present situation in Austria and had anticipated a Nazi outbreak this summer and had concluded that Mussolini had given up all hopes of keeping Austria out of the hands of the Nazis (the conversations I had in Vienna last week with Messersmith,[41] Schuschnigg,[42] Bergner Walldeck [43] and scores of old friends including one of the secret leaders of the Nazi movement in Austria have convinced me that there is small danger of Austria going Nazi through internal pressure this summer).

Litvinov said that he had little hope that the Danubian Pact would be unopposed. He said that the Yugoslavs had indicated clearly that they would prefer to have Austria under German influence rather than under Italian and that they did not desire any real reconciliation with Italy. He said that the Turks and Rumanians were also making difficulties. He stated that Titulescu had taken the position that Rumania would not enter into any guarantees for the independence of Austria unless the Soviet Union should also guarantee Austrian independence. I asked Litvinov if he were prepared to do so and he replied evasively that the question had not yet been presented in serious form as there were still a vast number of other obstacles to the Danubian Pact.

Litvinov said that he now considered the situation of Czechoslovakia almost as dangerous as that of Austria and added that Beneš had told him that as soon as possible he would have the new camouflaged Nazi party of Henlein [44] declared illegal and destroyed.

Litvinov said that he would continue to push the Eastern Pact but without much hope as he felt Poland was still determined to keep open the possibility of attacking the Soviet Union and Czecho-

[41] George S. Messersmith, American Ambassador in Austria.
[42] Kurt Schuschnigg, Chancellor of Austria.
[43] Egon Burger-Waldenegg, Austrian Minister for Foreign Affairs.
[44] Presumably Konrad Henlein, leader of the Sudeten German National Socialist Party in Czechoslovakia.

slovakia in case the Soviet Union should be attacked by Japan. He again expressed the opinion that there was no possibility of an early Japanese attack and repeated the statement which I reported in my telegram 177 of May 4, 10 p.m. that Japan would wait for a German attack on the Soviet Union and that Germany would wait for a Japanese attack and that in the end neither would dare attack.

BULLITT

862.20/1047

The Acting Chairman of the American Delegation to the Disarmament Conference (Wilson) to the Secretary of State

No. 116 GENEVA, June 4, 1935.
[Received June 12.]

SIR: I have the honor to refer to League document C/85th Session (Extr.) P. V. 2 (1) containing the resolution of April 17th of the Council of the League of Nations with regard to Germany's unilateral action respecting the military clauses of the Treaty of Versailles, especially Part III of that resolution in which the Council requests a committee composed of thirteen States "to propose measures to render the Covenant more effective in the organization of collective security and to define the financial and economic measures which might be applied should in the future a State, whether a Member of the League of Nations or not, endanger peace by the unilateral repudiation of its international obligations." May I recall to the Department that the scope of this proposal applies to Europe alone.

This committee, known as the Committee of Thirteen, met on May 24th and had before it the text of a memorandum which the French Delegation had written (COSC-2). Later on in the discussions, which continued for several days, the British Delegation also presented certain suggestions (COSC-5 (1)). After a preliminary consideration of the subject, the Committee named two sub-committees—one of jurists and the other of economists and financial experts—to go into these two phases of the problem, the sub-committees to take up their work the latter part of June and the first of July, respectively. There is to be another plenary meeting of the Committee on July 25th.

These memoranda and suggestions, copies of which I enclose,[45] will give the Department a more detailed idea of the agenda of the Committee. At the same time I also enclose a copy of a memorandum of a conversation I had with Monsieur Jean Paul-Boncour,[45] of the French Delegation, on Thursday, May 30th, at the conclusion of the first plenary session of the Committee. Monsieur Paul-Boncour had

[45] Not printed.

been instructed by his Government to inform me of the progress of the meetings. I therefore report it to you in some detail.

Since this date, I have taken occasion to discuss the work of the Committee of Thirteen with various members of the Secretariat. I did so in particular relation to the British attitude toward the work, since, according to Monsieur Paul-Boncour (see page three of my memorandum) the British showed quite a change of position and evidenced a much more serious attempt to grapple with the problem.

The principal British representative in the League Secretariat told me confidentially that he felt the work of this Committee was "eye-wash"; that while the French wish to give the impression of being serious, he doubted very much if they themselves were interested other than in creating a certain amount of irritation vis-à-vis Germany, to add an item in the general program of menacing Germany by encirclement and otherwise. My informant told me that he was quite certain that the British were not at all interested in pursuing this matter other than to show a willingness, if pressed, to discuss it for the sake of their French friends; that no one but the French wished to continue with the Committee's work during the summer and that it was only out of politeness to the French insistence that the other countries represented fell in with the time-table. Furthermore, this member of the Secretariat felt that there were insoluble obstacles to accomplishing anything concrete along the line of the Committee's mandate; that so much depended upon what nation was guilty of the unilateral breach, who were the neighbors of that State, what were the particular essential products or vulnerable financial features of the offending State and, similarly, of the neighboring States. Then there was the all-important question of the non-Member States, having in mind especially America, in relation to the supply to the offending State of key products or financial assistance. Indeed, this member of the Secretariat considered that once you enter into a detailed analysis of the problem in the manner indicated above, you find it is impossible to fix any definite rules in advance of the particular occasion. To do so with any accuracy it would be necessary to take each State, determine the essential military raw products which it must import, determine the countries from which it could best import these articles, do the same vis-à-vis finance, determine the present political relationship one to another of these several States, and thus have a table which would define the economic, financial and political relations of each State of the world in a given set of circumstances.

It is scarcely necessary more than to mention this to see how impossible it was to expect anything concrete from this Committee, in view of my informant. He summarized by saying that this Commit-

tee's report to the League would be either honest or dishonest. If the former, it would show the insuperable difficulties and bring about an abandonment of the objective. If a dishonest report, it would gloss over the objections and attempt, for political purposes, to paint a picture which simply wasn't true. I found that this member of the Secretariat, as indeed every other with whom I have discussed the matter, except the French and their allies, believe it is only a rather unfortunate consequence of the action which the French took, for internal political reasons, in bringing the question of Germany's breach of the Military Clauses of the Treaty of Versailles before the Council.

Another member of the Secretariat of a neutral character, who had followed the Committee closely, felt very much the same as my other informant. With regard to the British attitude he commented upon a marked change after the first day—that in the beginning the British were cool and showed a lack of interest in the whole proceedings, but the second day they seemed to change rather radically and appeared to take an interest. He felt, however, that this was more apparent than real and was based merely on an effort to placate the French in line with the "united front" idea. My informant spoke of the help which Massigli had been to the British during the Abyssinian discussion at the Council (for which Massigli, we understand, was somewhat called down by Laval). This other member of the Secretariat was not quite sure whether the French purpose in pushing this Committee of Thirteen was merely with the idea of its being part and parcel of the "menace" or encirclement policy, or whether it was not something more subtle and typical of the French mind. He repeated a remark he had heard from one of his French colleagues in the Secretariat several days ago to the effect that once you put into effect a policy of economic and financial sanctions "the descent to war is very rapid". My informant thought it quite possible that the French might be hoping to entangle the British and others in a policy which, if once embarked upon, would in all practicality lead to hostilities and so gain by roundabout methods the adoption of a position by the British and others which could not be arrived at directly. In other words, according to my informant, the French may be thinking that they could implement Article 16 of the Covenant, indeed even anticipate it in a state of "peace", by the more innocent method of considering certain limited economic and financial action in the event of further treaty repudiation in Europe, read [*re?*] Germany; for example, with respect to the de-militarized zone in the Rhineland.

Furthermore, this member of the Secretariat told me in some detail of the difficulties, of which I had heard from other sources, that had arisen in connection with the naming of the juridical and economic

sub-committees. It appears that a great effort was made by the French to confine membership of these committees to the former Allies, every attempt being made until the very last moment to prevent the Hungarians, Poles and Dutch from being named on the committees. There was also a query in my informant's mind as to why Chile should have accepted membership on a sub-committee dealing with a matter avowedly European in the scope of its mandate. What was the *quid pro quo?*

I also discussed the question of the work of the Committee of Thirteen informally with the principal British financial expert in the League. I found him in general accord with the basic idea of the opinion of the other members of the Secretariat to the effect that the work of the Committee would not seem to be of any special value with a view to determining upon practical measures of economic and financial sanctions against the unilateral breach of treaties.

My informant discussed at some length the difficulties inherent in any such attempt, reviewing previous studies he had made in relation to Article 16. He said that of course the country the French had in mind was Germany, and that he had looked into this question in some detail with especial reference to non-Member States. He had found, for example, that practically all of Germany's key importations could be supplied, in some measure at least, by Japan—that is to say, Japan, Korea or Manchoukuo.

Financial embargo my informant considered not worth discussing and as of no real value whatsoever.

As regards economic sanctions, these were as apt as not to be equally disturbing to the embargoing country, especially with regard to exportations. The mechanical difficulties involved were of course tremendous. In fact, considering the essential "reality" of French thought, my informant wondered why the French could be considering such ideas. He could only guess that they considered this a part of their whole security scheme and wanted to call attention to it at this moment for some particular political reason. My informant did not believe that the British were much interested in the idea, although they were quite willing to explore it, as much as anything else for politeness' sake vis-à-vis the French.

I do not wish to make too much of the work of this Committee of Thirteen, but this description may be of interest to the Department in epitome, as indicating the subtleties, suspicions, intrigues and general tenseness of the present European situation, and having rather a close relation in general to the subject of guarantees of execution and collective action studied here in committee last summer during Disarmament Conference work.

Respectfully yours, HUGH R. WILSON

751.6111/90

The Ambassador in Germany (Dodd) to the Secretary of State

No. 2035 BERLIN, June 6, 1935.
[Received June 14.]

SIR: I have the honor to report that the German objections to the Franco-Soviet treaty of mutual assistance have found formal utterance in a memorandum of the Berlin Foreign Office addressed as of date May 25th to the Locarno Powers,[46] a copy of which has been furnished this Embassy at its request. It is a document of legal import which seeks to establish that the Franco-Soviet treaty is at variance with the provisions of the Locarno Pact.

In brief, the argument is that Article 2 of the terms of Locarno enjoins the signatories against attacking or invading each other's territories except under certain conditions. Among these last are cited the duties prescribed for members of the League of Nations in Article 16 of the Covenant against a state unlawfully resorting to war, and the freedom of action left League members in case the Council of the League fails to have its recommendations unanimously adopted by its disinterested members, as per Article 15, Paragraph 7. Inasmuch, however, as the Soviet-German Pact calls for mutual assistance in the case of aggression by France, Russia or Germany against one of the others (Article 4 of the Protocol of Signature) in the contingencies covered by Articles 15, Paragraph 7, and 16 of the Covenant, above mentioned, as also by Article 17 Paragraphs 1 and 3, which provides for the application of Article 16 in case a nation not a member of the League should prove obstreperous and as this provision for mutual assistance is held to be applicable even should the Council not prove unanimous or should it fail to make a recommendation, the Foreign Office holds that France reserves the right to decide whether or not to take military action against Germany after determining "unilaterally and in her own discretion" that Germany is the aggressor.

The Paris *Temps* of the 2nd of June countered this argument by claiming that the obligations arising under the Franco-Soviet pact are strictly subordinate to those arising from League membership (Article IV of the Treaty) and subject to the recommendations of the League Council (Article 1 of Protocol of Signature); that independent action in case the said Council fails to function is also in accord with the terms of the Covenant; and further that Article 2 of the Protocol of Signature stipulates that there is no intention of violating previous treaty obligations. If then, the other Locarno

[46] For text of memorandum, see British Cmd. 5143, p. 36.

signatories, such as Great Britain and Italy, do not, in the case of absence of action by the League, consider that there is unprovoked aggression, the obligation to assist under Locarno would fall through.

The *Temps* article further intimated that Germany perhaps desired to raise doubts about the Locarno agreement itself or to start a campaign in favor of modifying the regime of the demilitarized zones. (The connection of the demilitarized Rhineland zone with the Franco-Soviet pact is established through the reference in Article 2, Section 1, of the Locarno Treaty above mentioned which specifies the exceptions to non-aggression, to Articles 42 and 43 of the Treaty of Versailles that provide for the demilitarization of the zone in question.)

The *Deutsche Diplomatisch-Politische Korrespondenz*, denying any such ulterior motives, retorted by saying that in view of the suspicion of other countries, Germany might be justified in suspecting an additional risk to its undefended western borders in case of trouble to the east, by reason of the newly established association of France with Russia and particularly the weakening of the role of the League Council alleged to have been effected by Article 1 of the Franco-Soviet Protocol of Signature. This Article seems to agree with the *Temps* to the extent of advocating an "unconditional recognition of willingness to submit to the judgment of the guarantee powers (of Locarno) in every case."

The *Boersen Zeitung* of June 5th recalled that as a result of the extension of the Franco-Soviet treaty to Czechoslovakia, Russia has become Germany's neighbor. It also welcomed the suggestion of the *Temps* in regard to the decision of the Locarno powers, urging that this should be declared binding.

Possibly therefore some such proviso may be expected.

It may be noted that the memorandum in the enclosure [47] contains a declaration that non-provoked aggression by Germany against Russia will never arise.

Respectfully yours, WILLIAM E. DODD

740.0011 Mutual Guarantee (Eastern Locarno)/157

The Ambassador in Germany (Dodd) to the Secretary of State

No. 2036 BERLIN, June 6, 1935.
[Received June 14.]

SIR: Through the courtesy of the Foreign Office, this Embassy has been supplied with a memorandum containing the text of the German views as to the nature of an acceptable "Eastern Pact." It is under-

[47] Memorandum by the German Foreign Office, May 25, 1935, British Cmd. 5143, p. 36.

stood that this memorandum or its contents was submitted to Sir John Simon on the occasion of his visit to Berlin and that the other interested powers are aware of the contents. It contemplates ten year pacts for non-aggression, arbitration and conciliation. Should an act of force appear imminent, the high contracting parties are to confer together as to steps for preserving peace. The Foreign Office expects an early reply from France and other countries. The following is the translation of the memorandum:—

In the opinion of the German Government a pact could be concluded by the interested powers in regard to eastern European questions, in pursuance of the basic idea (*in Ausführung des Grundgedankens*) of the Kellogg Pact on the following basis:

1) The contracting powers will not attack and particularly will not apply force against each other.

2) The contracting powers will, in so far as this has not already taken place, conclude arbitration treaties (*Schiedsgericht*) and conciliation treaties (*Vergleichsverträge*) with each other to provide for obligatory arbitration procedure for juridical disputes (*Rechtsstreitigkeiten*), and for political conflicts concilation (*Vergleichsverfahren*) procedure with a view to bringing about an amicable solution.

3) Should one of the contracting powers consider himself to be threatened either by an attack (*Angriff*) or by an application of force (*Gewaltanwendung*) on the part of another treaty power, upon his demand a conference of the government representatives of all the other treaty powers shall assemble to take counsel (*beraten*) as to the situation and should the occasion present itself, as to suitable (*geeigneten*) steps for assuring peace.

4) If in spite of the above-mentioned agreements (*Vereinbarungen*) hostilities should break out between two contracting powers, the other contracting powers bind themselves not to support the aggressor in any manner, either economically, financially or militarily.

5) The treaty is to be concluded for a period of ten years with the possibility of extention.

Respectfully yours, WILLIAM E. DODD

862.20/1059

The Acting Chairman of the American Delegation to the Disarmament Conference (Wilson) to the Secretary of State

No. 117 GENEVA, June 17, 1935.
[Received June 28.]

SIR: I have attempted during the past few days to assess in perspective the developments of the European situation as they have been revealed in Geneva since the beginning of the year 1935. Such a number of events of high significance rarely occur within so limited a period; one can only suppose that the pressure of events, both in

Germany and the economic world, has produced a low boiling point for political incidents. One has only to list these incidents to recognize their significance, though to assess that significance is much more perplexing. To make a partial list only: the British send troops to the Saar Basin; there is a Franco-Italian *rapprochement*; the French and British make an agreement at London on February 3rd; the British White Paper is published; Hitler has a "cold in the head" and postpones the Simon-Eden visit; Hitler announces a conscript army for Germany; Simon and Eden pay a round of visits; the German Air Force; the meeting at Stresa and its pronouncement; the meeting of the Council of the League with its "condemnatory" resolution against Germany; Hitler's announcement of submarine construction; the Franco-Russian Treaty and a similar agreement between Russia and Czechoslovakia; Pilsudski's death; Hitler's speech of May 21st; the resolution of the Council of the League in respect of the Italo-Abyssinian dispute; the threat of war between those nations; Anglo-German naval talks; and finally, the elimination of Mr. MacDonald's [48] personality as a principal factor in the European councils.

Concerning a number of the points, I have already written the Secretary and the Department from time to time. But in previous reports I have endeavored to set forth an idea of the immediate situation. In this despatch I shall try to combine the impressions of the various events into a report of what seems to be the general tendency. In other words, regarding all the events as indicative, what kind of a Europe do they indicate for the immediate future?

The rapid shift in relative power on the Continent brought about by Germany's rearmament—and rearmament already of a formidable magnitude—in any consideration of the future of this Continent raises the first and mightiest question: will there be war? With due regard for the possibility of accident, with full recognition of the temptation to the dictator of military adventure as a diversion from political unrest and unsatisfactory conditions, I have come to feel that in spite of appearances and evidence of preparation, there will be no Continental war of serious proportions in the near future. The thought of "preventive war" has been definitely put aside; indeed if it is kept out of contemplation for a short further period, it will automatically cease to exist, as Germany's force will be such that "preventive war" as a secondary effort will no longer be possible and only a full-sized trial of strength will face the Powers. That portion of Hitler's speech which deals with Germany's need for peace is so fully in accord with the facts that to me it is convincing—at least as to his

[48] J. Ramsay MacDonald, who was succeeded on June 7, 1935, by Stanley Baldwin as British Prime Minister.

present intention. Further, we must not forget that vivid recollections of less than twenty years ago are still present in the minds of the men who have the decision in Europe. They know the cost of war from personal experience; war to them is not an historical abstraction. The peoples themselves to a large extent know the cost of war, and no government can be so absolute at the present time as not to fear revolt if it embarks upon adventures against powerful neighbors. We can do nothing but guess. The situation is dangerous. The flame may burst by the careless dropping of a match in many spots in Europe. Nevertheless, it is my guess that the possibilities are against war for a considerable period.

Let us then treat the question of the development of Continental policy on the hypothesis of our having some years of peace in Europe before us. Since the Treaty of Versailles was signed, the population of Europe—that is to say, of the Allies and Neutrals—has been constantly faced with the choice between two policies: that of "encirclement"; and that envisaged by the Covenant of the League—a policy which might be called one of "moral suasion" with resort to force only if and when there has been aggression duly proved before the semi-judicial organs of the League.

When the most powerful and dangerous member of a gang is down, it is natural to argue that the others should stand around with sticks in their hands ready to fall upon the dangerous fellow simultaneously and automatically if he raises his head. The thought is engaging in its very simplicity. But I have just been reading the "Experiment in Autobiography" by Wells. In discussing the effect of Huxley's teaching, Wells says: "It has left me that urgency for coherence and consistency, that repugnance from haphazard assumptions and arbitrary statements, which is the essential distinction of the educated from the uneducated mind." It is fitting, therefore, that we should examine this assumption of the simple policy of "encirclement". I shall not use the arguments of the sentimental, nor dwell upon the hatred, bitterness and longing for revenge that such a policy of encirclement engenders. I shall merely state that such a policy might be all right if it would work; but it won't work, not against a nation potentially the mightiest of the Continent. In Poland there was real belief two years ago in the policy of "encirclement", just as this still seems to be the view in Czechoslovakia, Roumania and Soviet Russia. In October, 1933, Hitler withdrew from the Disarmament Conference and the League and left no illusion as to his intentions to violate the Military Clauses of the Treaty of Versailles. Poland expected "preventive action" as a logical result. France, however, for a variety of reasons, was unwilling to march at the time. The immediate effect

in Poland was to drive her to protect herself as far as she could through friendly arrangements with Germany.

Another instance: for the past six months Mussolini had been increasingly hostile to Hitler and disturbed at Germany's threat to Austrian autonomy. Mussolini organized the meeting at Stresa and sponsored, with France and England, the "condemnatory resolution" of the League Council. Six weeks later, Italian policy in respect to Abyssinia clashed with British policy at the latest Council meeting. Since that day there have been evidences of daily increasing warmth in Italo-German relations which will undoubtedly be carried on until such moment—if it comes—when Great Britain cedes to Italian desires through fear of Italo-German common purpose.

A further and more general observation: there is attraction, politically speaking, in power itself—an attraction akin to that in physics of the greater mass for the smaller. The very apprehension of the growing power of Germany may well persuade some of the other European States, geographically most closely associated to Germany, to make friends with her and even, perhaps, throw in their lot with her. Such may have been one of the reasons for the action of Poland, which I have just mentioned.

These facts seem to me sufficient to show that "encirclement" is not practical policy. For to be practical it must be absolute; the parties thereto must be animated by a common policy which will stand the test of the diversity and conflict of their interests in other directions; and, above all, it must be "automatic" in character. By using the word "automatic" I am borrowing from the French phrase *déclenchment automatique de guerre*—a thought and purpose which would bring it about that if any one of the States under a mutual assistance pact is engaged in hostility, the other parties to the pact must immediately come to the assistance of the first without examination of the rights and wrongs of the conflict. Without such an undertaking "encirclement" loses much of its terror to the encircled; hostilities would have to be prefaced by examination of the case, which obviously would entrain the difficulties of determining the aggressor, the local needs and fears of the parties—in short, the immediate expediency of engaging in hostilities.

The Soviet Government has long sought for the establishment of such "automatic" obligations in the mutual assistance pacts which it has been pushing. The principle finally was brought to a crisis in the recent negotiations at Geneva and Paris between Litvinoff and Laval. Laval, in spite of threats by Litvinoff to break off negotiations, insisted on the rejection of the "automatic" clause, and the Russians agreed to a pact which does not embody it.

There is considerable belief, based on the grounds of probability rather than on evidence, that Sir John Simon insisted with Laval that Great Britain would only sponsor the "condemnatory" resolution with France if the latter undertook to reject the "automatic" provisions of the Russian proposals. Be that as it may, the decision was taken—a decision which means that for a period of time "encirclement" is not to be set up by the States of Europe vis-à-vis Germany.

Real encirclement, predicated as I have tried to show upon its "automatic" character, being thus put aside, the States of Europe will presumably endeavor to show to Germany a unity of purpose as complete as possible for such deterrent effect as that may possess. They will go a long way to conciliate Italy, in the final analysis; they will continue to try to forge weapons of unity—witness the work of the Committee of Thirteen (my despatch No. 116 of June 4, 1935)—to multiply among themselves pacts of mutual assistance; but they will not bind their hands in advance of the fact, and will reserve the right to examine in the Council of the League whatever crisis may arise and will determine their action by the necessities of the moment.

I have indicated that the encirclement policy won't work because of the selfish interests of the "encirclers." There is a further factor of failure in what Bismarck called "imponderables." Trying to express this as briefly as possible, let me say that the attempt to prolong indefinitely the subjugation of Germany has always seemed an effort to maintain the abnormal. In their policy the Foreign Offices were opposing the inevitable normal development of a powerful people. The imponderables have now asserted themselves and the fabric built up in opposition thereto is disappearing. Germany's imminent return to power is a striking example of the fact that the normal tends to assert itself in international affairs. The British, with their uncanny instinct for reality, recognize this situation and are adapting their policy to meet it.

From all I have written above and from my several personal letters to the Secretary, it is perhaps unnecessary for me to conclude this report by saying that I feel we are now entering upon a tremendous period of political readjustment in Europe. This would normally have begun in 1918 at the conclusion of the War. But the treaty signed at Versailles was not a peace in the real sense of the word. It was rather a continuation, in another form, of conflict with Germany. We are now realizing that wars cannot be defined so simply as used to be the case, nor can they only be considered a clash of military forces. Nations can be involved in the bitterest of struggles without resort to declarations of war and, indeed, without actual military conflict. This has been the case certainly with regard to Ger-

many since 1918, and has only come to the end of a phase with Germany's public refusal to continue bound by the Military Clauses of the Treaty of Versailles. Germany's imminent return to former political might on the Continent has created an imperious necessity for political readjustment in Europe. During the period 1918–1935 there have been negotiations, machinations, intrigue against Germany, with sporadic efforts toward co-operation. Now, however, there must be discussion and decision of what is to be done with Germany as an equal at the board. Hitherto it has been a question of subordination; now it is a question of continental co-ordination.

Perhaps there can be no greater example of this than that recently furnished us by the British. On April 17th they joined the French in their resolution at Geneva condemning Germany's breach of the Treaty of Versailles. This resolution condemned in the strongest terms any further breaches of international agreements and a Committee of Thirteen Powers was set up to deal with such a situation. Only a few weeks later the British agreed to discuss naval matters with the Germans,[49] and now, two months after the solemn resolution against treaty violation, the British have reached an understanding with the Germans which involves a clear-cut, unilateral abandonment of Versailles-Treaty provisions. Thus the British threw overboard the pronouncement at the Council meeting in April and condoned the treaty-breaking they had there condemned. With the British adapting themselves to such contradictions, with Italy showing herself equally changeable when her particular interests are at stake, while Germany and France have given many examples of a similar attitude, we are justified in feeling that the States whose judgment is decisive in Europe have abandoned the idea of "encirclement" and are readjusting their policy to the changing conditions.

Let us hope that these readjustments will be of such a nature as to strengthen the belief which I expressed above—that the probabilities are against a Continental war in the near future.

Respectfully yours, HUGH R. WILSON

760N.00/116

Memorandum by the Chargé in Latvia (Cole)[50]

RIGA, July 11, 1935.

I called this morning on Mr. Munters, Secretary General of the Ministry for Foreign Affairs, in order to inquire of him about the

[49] For correspondence concerning the Anglo-German Naval Agreement, June 18, 1935, see pp. 162 ff.

[50] Copy transmitted to the Department by the Chargé in his despatch No. 805, July 20; received July 30.

present status of the various negotiations in Eastern Europe concerning the so-called Eastern Pacts. Mr. Munters stated flatly that in his opinion the original Soviet proposal for an Eastern Pact of Mutual Assistance is now dead. He stated that Soviet Russia has now obtained in the Franco-Soviet and the Czechoslovak-Soviet Treaties all that it can hope to accomplish without paying too high a price. Mr. Munters explained this by stating that the Soviet Government had at first desired to make, as he put it, "the western frontiers of the limitrophe states into Soviet frontiers by obtaining a French guarantee." That is, the western frontiers of Poland and Lithuania and the seacoasts of Latvia and Estonia were to be guaranteed against possible German aggression in the same way that the eastern frontiers of France and Belgium are guaranteed under the Locarno Treaty. France had definitely refused at the beginning to undertake any such guarantee and had embodied this refusal in its insistence on the phrase "aggression against the territory proper of one of the contracting parties." Soviet Russia had been obliged to accept this conclusion and that being so, Soviet Russia was not willing now to bind herself alone to guarantee the western frontiers of Poland and the Baltic States or even of Czechoslovakia. It was for this reason that the Czechoslovak Treaty contains the provision that Russia is only bound to assist Czechoslovakia if and when France comes to that country's aid. Mr. Munters even went so far as to say that if Germany seized Memel Soviet Russia probably would not move.

Mr. Munters was not certain as to what the next moves will be in regard to pacts, not of mutual assistance, but of mutual non-aggression and non-assistance to an aggressor only. He pointed out that Germany had agreed to enter into such a pact or pacts in the message sent through the British Ambassador in Berlin to the Stresa Conference on April 14,[51] but that Germany had apparently withdrawn this offer by the passages in Hitler's May 21 speech [52] in which the realm leader stated that Germany would only conclude such pacts with bordering states and not at the present time with Lithuania. Mr. Munters pointed out that this had very effectually stopped all movement towards such treaties since the only states which could possibly come into an eastern pact of this sort were Poland and Lithuania. Germany already had an agreement with one of these and the other was specifically excluded.

Mr. Munters went on to state that Latvian inquiries made recently in Berlin and the reports brought from there by the Latvian Minister indicate that Mr. Hitler is now more favorably inclined to such pacts

[51] Copy of message was transmitted to the Department by the Ambassador in Germany as an enclosure to his despatch No. 1931, April 16, p. 244; enclosure not printed.

[52] British Cmd. 5143, p. 32.

than he was in May and might be willing to include both Latvia and Estonia in such a system, although neither have a common land boundary with Germany. Mr. Munters indicated that Latvia would be far more inclined to enter any agreement of this sort than to join in any mutual assistance agreement which did not include both Poland and Germany.

Mr. Munters went out of his way to state that in all the recent negotiations following the Soviet proposal of April 6, Lithuania had shown great loyalty to the Baltic Entente in agreeing, at the request of Latvia and Estonia, not to enter into a pact for mutual assistance with Soviet Russia. In doing this, Lithuania had made a very considerable sacrifice since, at the time Soviet Russia made the proposal, Lithuania was in great anxiety concerning German intentions toward the Memel territory and had been at that time very eager to close with Soviet Russia. In regard to Memel, Mr. Munters stated that he believed the question would be easily settled if both Lithuania and Germany would only show good will in the matter and come somewhere near to meeting each other halfway.

In regard to the Anglo-German Naval Agreement, Mr. Munters stated that from what he could learn of the reaction in Sweden, the article in the London *Times* of July 6, 1935, entitled "Sea Power in the Baltic" contained no exaggerations. He believed that both Poland and Sweden would have to embark upon a naval building program. Latvia, however, would not on this account attempt to increase its existing naval forces. The accord showed that England was willing to see the Baltic closed in case of hostilities in Europe because it had lost all interest in the Russian economic field and did not any longer feel that it must at all times have a guaranteed access to Russia through the Baltic.

He stated that he believed that the accord was a mistake in the tactical play now going on among the Foreign Offices of the larger European powers and might cause England the loss of French support in the Abyssinian matter. However, the accord was of very great and beneficient importance as a step forward in the general pacification of Europe. He believes that now that Germany has willingly signed a treaty it will abide by it to the last possible minute. England was very wise in accepting the German offer as had it been refused Germany might later have demanded not 35% of the British strength but 50%. France had made a very serious blunder in not accepting Germany's original offer to limit its army to about 3000,000 [*300,000*] men instead of the 500,000 that Germany was now arming.

In regard to the Abyssinian situation Mr. Munters feels that Italy is very ill-advised in her present policy and will be "bled white" by a War in East Africa. The diversion of Italian attention and

strength away from Europe is very advantageous for Germany. He added that these developments were also very favorable for the Baltic States since it tended to canalize German effort towards the southeast and away from the Baltic.

Mr. Munters would make no statement concerning the merits of the Italian-Abyssinian dispute. He agreed, however, that Latvian sympathies are very strong indeed against Italy. This is understandable from the strong reliance which the Baltic States, Latvia and Estonia at least, place on the Covenant of the League of Nations.

Toward the close of the conversation it wandered rather far afield, touching even upon the possible loss of the independence of the Baltic States at the hands of either Soviet Russia or Germany. Here Mr. Munters made an interesting statement, namely, that were Germany "to come in again" the Letts could at least maintain the nationality, native culture, and their "status as human beings". Under the Soviet Government, however, deportations only were to be expected since the Letts would "never accept the present Soviet Russian system." He called attention to the wholesale deportations of Finns from Karelia—200,000 souls was the figure he mentioned, and asked what would become of the Lettish race if it were scattered, a few here and a few there, throughout the enormous Russian Empire?

F[ELIX] C[OLE]

760N.00/116

Memorandum by the Third Secretary of Legation in Latvia (Abbott)[53]

RIGA, July 16, 1935.

In a conversation with Mr. Łęcki[54] this morning, I asked him if the rumors prevalent in Riga, that the Latvian Government had decided to conclude a mutual assistance pact with Russia, were true. He replied that according to his information they were not, but that shortly after the conclusion of the German-British Naval Agreement, the Latvian Government became rather panicky and, believing themselves abandoned by Great Britain, seriously considered seeking support from Russia. He agreed with my suggestion that it was at this time that an inquiry was made by the Latvian Foreign Office to the Government of Estonia regarding a step of this kind (Mr. Carlson's recent despatch[55]).

Mr. Łęcki went on to say that it was for the purpose of discussing this new political orientation that the conference of the Ministers

[53] Copy transmitted to the Department by the Chargé in Latvia in his despatch No. 805, July 20; received July 30.
[54] Secretary of the Polish Legation in Latvia.
[55] Despatch No. 409, July 10, not printed.

was called. At the conference it was decided not to approach Russia regarding a mutual assistance pact since by that time it appeared that further developments in connection with an Eastern pact of non-aggression were imminent, and it was decided that the best policy would be to wait and see what happened. He added that Estonia and Latvia had been pressing Poland to take some action, and that his Government's reply was that the initiative rested in German hands.

Mr. Łęcki added that at the recent conference of Lithuanian foreign representatives it was decided that every effort must be made to settle the Vilna and Memel questions. The opinion of the conference was in favor of taking up the Vilna question first, but owing to the opposition of the Minister of Justice it was finally decided to negotiate with Germany first.

G[EORGE] M. A[BBOTT]

760N.00/116

Memorandum by the Chargé in Latvia (Cole)[56]

RIGA, July 18, 1935.

RECENT DEVELOPMENTS CONCERNING AN EASTERN EUROPEAN SECURITY PACT

1. *Soviet Démarche Regarding an Eastern Pact of Mutual Assistance Without Germany and Poland.*

On April 6, the Soviet Ministers in Riga, Kaunas and Tallinn, inquired of the local governments what their attitude would be toward an Eastern European pact of mutual assistance to include Soviet Russia, Czechoslovakia and the Baltic States, but without Poland and Germany. A reply was requested by April 10, in order that Litvinov could discuss the matter with Laval at Stresa.

The Foreign Offices of Latvia and Estonia immediately communicated with each other by telephone and later, got in touch with Lithuania, which, it had been learned, was on the point of a favorable reply. The Soviet Government was informed by each of the three countries that no reply to its inquiry could be made until all the principals of the Baltic Entente had consulted. The matter was considered so urgent and serious that the Undersecretaries for Foreign Affairs of Estonia and Lithuania came to Riga, and a conference was held on April 11. At this conference, Lithuania was persuaded to delay replying to the Soviet inquiry until after the Baltic Entente Conference of May 5.

[56] Copy transmitted to the Department by the Chargé in his despatch No. 805, July 20; received July 30.

It would appear that the Soviet approach to the Baltic States was made primarily to strengthen its position in the negotiations with France for a bi-lateral pact of mutual assistance, and, secondarily, in the hope that Lithuania might accept and thereby create a serious split in the Baltic Entente. The chief significance of the *démarche* was that it indicated that Soviet Russia had abandoned the hope of successfully concluding an Eastern Pact on the original lines, including Germany and Poland.

2. *Developments Between the Riga Conference of April 11, and the Kaunas Conference of May 5.*

To the Baltic States, the chief significance of the Stresa conference of April 11–14 was the statement by Sir John Simon that Germany was prepared to join an Eastern Pact of non-aggression.[57] This step made it probable that future plans for security in Eastern Europe would be based on a pact of non-aggression instead of mutual assistance.

On April 19, the Governments of England, France and Italy addressed Lithuania in identic terms regarding the failure to observe the provisions of the Memel statute. While this step was a considerable blow to the prestige of Lithuania, it nevertheless removed, for a time, the danger of German intervention. The action of the signatory powers also encouraged Estonia and Latvia in their efforts to persuade Lithuania to modify its policy regarding Memel.

It would appear, however, that Estonia and Latvia were not successful in persuading Lithuania to adopt a more conciliatory attitude in the Memel question, and the unsatisfactory Lithuanian reply of May 3 to the note of the signatory powers regarding Memel removed any hope of an early settlement of the dispute between Lithuania and Germany, and again made the Memel question the crucial feature of the Eastern European political situation.

The meeting of the Council of the League of Nations from April 15 to 17, was without special significance from an Eastern European viewpoint, but the action of Poland in voting for the resolution condemning Germany created further doubts as to the actual relations between Germany and Poland.

The signing of the Franco-Soviet Pact of Mutual Assistance on May 2, was an event of capital importance to the Baltic States. The prolonged difficulties in negotiating the pact and the extremely involved and cautious text emphasized the disadvantageous features of mutual assistance pacts. Comments in the German press made it quite clear that Germany regarded such pacts of mutual assistance as merely military alliances directed against itself. The obvious fact

[57] British Cmd. 5143, p. 22.

that Russia could only assist France in a practical manner in case of aggression by Germany by an attack through Poland or the Baltic States also received wide publicity in the Baltic press.

3. *The Conference of the Ministers for Foreign Affairs of Latvia, Lithuania and Estonia.*

The conference of the Ministers for Foreign Affairs of Latvia, Lithuania and Estonia, held in Kaunas May 5–8, was devoted almost exclusively to a discussion of the policy to be followed by the members of the Baltic Entente towards the various proposals for the protection of Eastern European security. The representatives of Latvia and Estonia were apparently successful in convincing Lithuania that the best interests of the Baltic States would not be served by entering into a pact of mutual assistance with Russia, and that an independent neutral policy should be followed. The conference was thus successful in avoiding the danger of a break-up of the Baltic Entente which had arisen from the basically opposed points of view of Latvia and Estonia on one hand and Lithuania on the other regarding the Russian proposals for a pact of mutual assistance.

4. *Developments Since the Kaunas Conference and Other Factors Bearing on the Present Situation.*

The Secretary General of the Latvian Ministry for Foreign Affairs, Mr. Munters, published an article entitled "The Baltic Entente," in a special edition of the *Prager Presse*, Prague, Czechoslovakia, dated May 19, 1935. This article was of considerable significance because of the prominent role played by Mr. Munters in the foreign policy of Latvia and the Baltic Entente. It was in part obviously aimed at Lithuania and its stubbornness in regard to the Vilna and Memel questions since Lithuania is the only member of the Baltic Entente which has any special problems.

Mr. Munters stated that the policy of the Baltic Entente should be limited to fundamental and vital interests. The first of such interests mentioned is the maintenance of separation from Russia. He then goes on to point out that Lithuania has forgotten this interest, first because of the Vilna question and, more recently, because of the Memel question.

His statement that "there is no reason on the other hand to suppose that one or the other of the two great neighbors desires to attack the Baltic Entente, because the present balance of power in Northeast Europe is best guaranteed by the existence of an independent, neutral Baltic bloc," is of considerable importance. It is in direct opposition to the present opinion in Lithuania, which is convinced that Germany has aggressive tendencies against Lithuania and probably against

the other Baltic States. The use of the word "neutral" in the quotation given is of interest in view of the recent suggestion in Estonia that the Baltic States should be neutralized in somewhat the same manner as Switzerland is at the present time. In the final paragraph, Mr. Munters mentions the necessity of continuing a parallel independent foreign policy which may be considered to mean that he is not in favor of the Baltic Entente joining any regional pacts of mutual assistance.

The newspaper interview of Vice Minister for Foreign Affairs, Laretai, of Estonia published in the *Deutsche Allgemeine Zeitung*, Berlin, on May 26, 1935, in which he advanced the suggestion that the Baltic States should endeavor to obtain a guaranteed neutral status, created considerable interest in the Baltic States. He suggested that because of their weakness and exposed position, the members of the Baltic Entente should endeavor to be freed from those obligations under the League of Nations which would conflict with a strictly neutral status.

The death of Marshal Pilsudski of Poland, on May 12, injected a new factor of uncertainty into the situation because of its possible effects on the foreign policy of Poland. It also caused an increase in various rumors regarding new efforts to settle the Vilna dispute between Lithuania and Poland. It is apparent that certain cautious steps have recently been taken, but newspaper and official comments in Lithuania have not been encouraging.

5. *The Polish Factor.*

There have been a number of interesting developments in connection with Poland's attitude towards the Baltic States. The most important event was probably the statement of Foreign Minister Beck that Poland would not permit the passage of foreign troops either across or around Poland. There have also been recent references in the Polish press to Poland's special interests in the Baltic States.

The present Polish relations with Estonia are extremely close. Provisional President Päts of Estonia recently spent a month's holiday in Poland. During his visit in Poland, he acted as the intermediary between Poland and Lithuania in the arrangements for the transportation of the remains of Pilsudski's mother to Vilna.

Polish relations with Latvia are cordial. A group of Latvian journalists, headed by the Chief of the Press Section of the Ministry for Foreign Affairs, have recently paid a visit to Poland where they were very cordially received.

The recent feelers put out toward the possibility of a settlement of the Vilna dispute have apparently been of Polish origin. These attempts probably represent a new attempt to put through the old

836401—53——26

Polish plan for the formation of a larger Baltic Bloc in which Polish influence should be predominant. Poland also has the added incentive at the present time of preventing the Baltic States from being drawn within the sphere of either Russia or Germany.

The success of Polish aims in the Baltic would appear to be dependent upon arriving at some settlement of the Vilna dispute before either the Memel question is settled or becomes so serious that Lithuania is thrown into the hands of Russia.

A puzzling development is the Polish newspaper campaign against Latvian treatment of the Polish minority, which started just after the return of the Latvian journalists from Poland. The Latvian press replied to this campaign in a rather sharp manner. It represents a sudden flare-up of the old minority troubles which have been dormant for some time. The Polish Chargé here has told a member of the Legation staff that the chief reason was the refusal of the Latvian authorities to admit Polish newspapers. The Chargé added that as a result of the protests the prohibition has been or would shortly be lifted. He also mentioned as a Polish grievance the fact that the only Polish agricultural school in Latvia had been closed and that the Polish high school in Riga, which had 300 pupils, had been closed although German, Russian and Jewish minority schools remained.

6. *Hitler's Speech.*

Hitler's speech of May 21 was read and discussed with great interest in the Baltic States, especially his remarks regarding Russia and the Eastern European Security plans. Lithuania was naturally incensed over his statement that no non-aggression pact would be signed with Lithuania until the signatory powers had taken steps to force observance of the Memel statute. In Latvia and Estonia the speech was generally favorably received, but the extremely sharp nature of the remarks regarding Soviet Russia aroused some uneasiness and it was noted that his offer to conclude pacts of non-aggression and non-assistance to the aggressor was restricted to neighboring states. This would make difficult the fulfillment of the plans for a general Eastern European non-aggression pact which Russia and France were understood to be preparing and which it is believed the Baltic States would be willing to accept.

7. *The British-German Naval Agreement.*

The British-German Naval Agreement of June 18 at first received favorable comment in the Latvian and Estonian press as a constructive step towards disarmament. Shortly thereafter, however, the tone changed. The Latvian Government became panicky and on or about the middle of June sounded out the Estonian Government in regard to concluding a mutual assistance pact with Russia under the first

influence of apprehensions that Great Britain had "abandoned Latvia". This particular phase of the Baltic situation was one of the main topics of conversation at the Conference of the Ministers Plenipotentiary of Latvia which met in Riga on June 28th.* It was at this time also that the impression prevailed in Riga that were the Soviet Union to propose a mutual assistance pact Latvia would be very much disposed to enter it. Whether as a result of the discussions at the conference or later reports made to the Government here, a very authoritative official of the Latvian Foreign Office recently stated to a member of the Legation staff that the Eastern European Pact of Mutual Assistance was dead.

Newspapers in both Riga and Tallinn have inquired, "Why does Germany need a navy of 400,000 tons and what does she expect to do with it?" and a recent Latvian newspaper editorial stated that the Baltic States must increase their naval and coast defenses. No steps in this direction, however, are under immediate consideration in Latvia. Scandinavian papers have been widely quoted regarding the change in the balance of power in the Baltic and North Seas and the measures which must be taken to meet the new situation.

8. *The Memel Question.*

It may be taken that the French declaration may be roughly called one of "disinterestedness in the Memel question" following the conclusion of the Franco-Soviet Pact and which is not as complete as it seems although it justifies Baltic politicians in saying that "France has withdrawn from the Baltic." This is so without any reference to the fact that France is one of the guarantors of the Memel Statute. Having come to agreement with Soviet Russia against Germany, France has merely handed to its new ally its former interest in supporting Lithuania against Germany. This would unquestionably be in accord with Soviet desires. Regardless of the suggestion recently made to a member of the Legation staff by a very authoritative Latvian official that even if Germany were to seize the Memel territory Russia would not violate either Polish or Latvian sovereignty in order to put troops into Lithuania it may well be believed that the Soviet Union is not displeased to have a plausible *casus belli* on or near its western borders and on the road to Berlin. In order to obtain Rumanian cooperation in forging the ring around Germany, and as a corridor to Czechoslovakia, Russia may well make permanent renunciation of its Bessarabian grievance against Rumania. Regardless of any treaties or system of treaties, it is utterly impossible to conceive that the Soviet Union would at any time accept with equanimity the seizure of the

* This conference was announced early in June, presumably under the influence of Hitler's end-of-May speech. [Footnote in the original.]

Memel territory by Germany, and it is extremely difficult to believe that it would not take active steps in such a case. The Memel question indeed furnishes Soviet Russia with a much more effective excuse for active armed interference in Eastern European affairs than did Bessarabia since, as has been said, it lies on the direct line between Moscow-Berlin and, moreover, fits very neatly into the whole propaganda edifice which is being so assiduously and continuously built up by Moscow both for international and internal propaganda purposes. This propaganda edifice rests on two twin pillars, the supposed imminence of Hitler's "march to the East," and the Soviet "Peace Policy."

9. *Present Situation.*

The Latvian and Estonian Governments still desire to avoid, if possible, any mutual assistance pacts and especially any pact not including Germany and Poland and have, so far, been successful, having been able to hold Lithuania in line. Both Estonia and Latvia realize clearly the restriction on their foreign policy due to their entente with Lithuania and it is obvious that they desire a settlement, or at least an appeasement, of the Vilna and Memel questions. They are, however, unable to take any open steps in this direction due to the fact that the Vilna dispute was specifically excluded from the competency of the Baltic Entente while Lithuania maintains that the Memel question is a purely internal problem.

F[ELIX] C[OLE]

740.0011 Mutual Guarantee (Eastern Locarno)/162

The Ambassador in Germany (Dodd) to the Secretary of State

No. 2215 BERLIN, August 13, 1935.
[Received August 23.]

SIR: I have the honor to refer to despatch No. 1931 of April 16, 1935,[58] in which allusion was made to an official communiqué issued by the German Government in reply to inquiries resulting from the Stresa Conference, of which the sense was that even as Germany was not in a position to adhere to pacts containing military obligations as an essential element of their content (i. e., pacts of mutual assistance), the existence of such agreements, outside of a pact of non-aggression, would not necessarily hinder the German Government from adhering to such a non-aggression pact.[59]

[58] *Ante*, p. 244.
[59] See telegram No. 201, April 13, 10 a. m., from the Ambassador in Italy, p. 240; also British Cmd. 5143, p. 22.

In this connection I learn that the British Government and its local representatives have informally approached the German Government with a view to furthering the conclusion of an East pact. It was pointed out that the willingness of Germany to enter into such a pact would produce an excellent impression abroad; that its conclusion would greatly facilitate the making of the air pact which Germany and Great Britain both desire; and further, that, as the Germans made the statement mentioned in the preceding paragraph in April, they might well live up to it by adhering to a pact of Eastern non-aggression to which the existing Franco-Soviet agreement would stand in the relationship of a pact of mutual assistance outside of the non-aggression pact.[60]

The answer of the German Government has not yet been given and I can hardly believe that it will be favorable. At the time the communiqué above mentioned was issued, there seemed to be an united front of the leading Entente powers against Germany. Subsequent events have shown that this unity no longer exists. It seems not improbable that the Foreign Office will consider that the signing of the Franco-Soviet pact has altered the situation.

In connection with the foregoing, allusion may be made to a D. A. Z.[61] insinuation (it admits that the Prague papers said nothing on the subject) that Beneš had discussed with Lozoraitis, Lithuanian Foreign Minister, while the latter passed through Prague, the possibility of extending the Franco-Soviet and Czecho-Soviet pacts to include Lithuania and the Baltic States. The paper then makes the following comment:

> The foregoing announcement seems to us of no slight importance in connection with the development of the Eastern Pact question. The German interpretation of the character and aim of the so-called Eastern Pact could find no better confirmation than what has occurred by reason of the negotiations between Beneš and Lozoraitis. It must be remembered that during the Stresa Conference, Germany announced its attitude in regard to an Eastern Pact. This was to the effect that Germany cannot decide to sign a mutual assistance clause.

Regarding the discussion as to the compatibility with Locarno of the Franco-Soviet treaty (see despatch No. 2035 of June 6th), I am informed that the German Government has replied to France and the other Locarno powers to the effect that while it maintains its point of view, there is nothing to be gained by further legal discussion.[62]

Respectfully yours,

For the Ambassador:
J. C. White
Counselor of Embassy

[60] See British Cmd. 5143, pp. 49 and 50.
[61] *Deutsche Allgemeine Zeitung.*
[62] See British Cmd. 5143, p. 52.

740.0011 Mutual Guarantee (Eastern Locarno)/165

The Ambassador in Germany (Dodd) to the Secretary of State

No. 2250 BERLIN, August 27, 1935.
[Received September 10.]

SIR: Adverting to my despatch No. 2215 of August 13, 1935, setting forth that the British Embassy had approached the German Government in a renewed attempt to procure some kind of an East pact based on the statement of the German Government, made at the time of the Stresa Conference, that it would not object to other nations, signatories of a non-aggression pact to which it was a party, making mutual assistance pacts as between themselves, I have the honor to report that the German Government has now made a reply [63] to the effect that it will be unable to reach a decision in this matter until after the period of holidays, which presumably means another six or eight weeks.

Commenting upon this reply, an official of the Foreign Office intimated that while the holiday session [*season*] was actually the principal reason of the postponement, there was also no reason why, just at the time when Italy is apparently doing its utmost to break down the principle of collective security, Germany should take the lead in endorsing the same. It was also indicated that there exists a certain current of opinion here in the sense that the declaration abovementioned, made at the time of the Stresa meeting, has been modified by the subsequent signing of the Franco-Russian Treaty for mutual assistance. A decision in this respect, however, the official said, had not yet been made.

It is, of course, quite natural that this Government should not wish to make any major foreign commitments until the Ethiopian situation has been cleared up.

The official stated that, while—judging by the newspapers—there seems to be great activity in regard to the Danubian Pact, Germany has not recently been approached with respect thereto. As of possible interest, there is enclosed the translation of an article from the well informed *Neue Zürcher Zeitung*,[64] which illustrates the divergent interests of various Danubian Powers in regard to the whole question.

Respectfully yours, For the Ambassador:
J. C. WHITE
Counselor of Embassy

[63] British Cmd. 5143, p. 56. On September 16, 1935, the German Foreign Minister informed the British Ambassador that Germany did not propose to make any further reply to the British with regard to an Eastern Pact until "quieter times" had come (*ibid.*, p. 57). No further communication had been made when German military forces occupied the Rhineland, March 7, 1936.

[64] Not printed.

740.0011 Mutual Guarantee (Eastern Locarno)/172

The Chargé in Latvia (Cole) to the Secretary of State

No. 968 RIGA, November 13, 1935.
[Received November 27.]

SIR: I have the honor to report that on November 4, 1935, I talked with Mr. Vilhelms Munters, Secretary General of the Ministry for Foreign Affairs, concerning the present situation of the negotiations for the conclusion of an Eastern European security pact. Mr. Munters again stated, as he has done several times before and as the Legation has already reported to the Department, that the Eastern European security pact was in a state of "desuetude," there being no movement in the question for the time being, and none being likely for a considerable time. Europe, Mr. Munters said, seemed to have settled down contentedly into the situation left by the conclusion of the Franco-Soviet and Soviet-Czechoslovak pacts, the prompt refusals of Poland and Finland, and the ultimate refusals of Latvia and Estonia to enter such a system.

In this connection I enclose a translation of an excerpt from the Riga Russian language daily *Segodnya* of September 22, 1935,[65] quoting an interview given it by Mr. Munters in Geneva. Mr. Munters stated that "the problem of the Eastern pact has lost its foremost importance." He regretted this and referred again to the proposals made by Germany [66] at the time of the Stresa Conference.

In connection with the statements made by Mr. Munters previously concerning the possibility of the formation of a bloc of states to include Finland and Poland and those in between, it is of interest to note that in the interview he returned to this subject, first, in approving references to Finnish foreign policy and, secondly, in mentioning "some kind of a Baltic Sea pact" which would include not only the so-called Baltic States but also Poland, presumably both Sweden and Denmark, and Finland.

Reference can be made in this connection to this Legation's confidential despatch of October 25, 1935 (No. 936),[65] enclosing a memorandum entitled "Evidence of Changes in Latvian Attitude Regarding Eastern Security Plans."

A further development along this same line, slight, indeed, but perhaps significant, is to be found in a phrase used by the new Latvian Minister to Estonia, Mr. Edgars Krievinš, in presenting his letters of credence at Tallinn on November 7th. He said: "Latvia believes that through intensifying the relations [of] [67] friendships and sincere

[65] Not printed.
[66] See despatch No. 2215, August 13, from the Ambassador in Germany, p. 306.
[67] Brackets appear in the original.

cooperation between the Lettish and the Estonian peoples it will be possible to overcome all current difficulties and also to work together with other neighboring peoples to promote, in this manner, to the general advantage, [the solution of] [68] its own special tasks on the coast of the Baltic Sea."

In his reply the Estonian Chief of State said: "The common fate shared for centuries by Estonia and Latvia, the common battles for liberty and the reestablishment of national independence, as well as their present geo-political situation, create the feeling of an inseparable unity which found its actual expression in the strengthening of our treaty of alliance and a firm basis for a lasting friendship and brotherly cooperation."

Since it may be taken that the address of the new Minister was either written in the Ministry at Riga or edited there, under the supervision of the Secretary General, this is another occasion on which Mr. Munters has suggested the possibility of a larger political grouping of states in the zone between the U. S. S. R. and Germany. Mr. Päts' reference to the similar geographical and political situation, or political situation arising out of geographic location, common to both Estonia and Latvia, while not specifically hinting at a larger grouping of a number of states, may nevertheless clearly be taken as referring to the two great powers mentioned.

Respectfully yours, FELIX COLE

[68] Brackets appear in the original.

UNFAVORABLE ATTITUDE OF THE DEPARTMENT OF STATE TO AID BY AGENCIES OF THE UNITED STATES IN FINANCING SALES OF WAR MATERIALS TO FOREIGN GOVERNMENTS [1]

811.113/573

Memorandum by Mr. Joseph C. Green of the Division of Western European Affairs

[WASHINGTON,] February 14, 1935.

Mr. James Edwards of the Export Import Bank called me by telephone yesterday afternoon. He asked me whether flour was considered as included in "munitions of war" under the terms of the President's Proclamation of May 28, 1934,[2] prohibiting the sale of arms and munitions to Bolivia.

I replied that the interpretation of the President's Proclamation was not the function of this Department, but that I could state that flour had never been included in any of the definitions which I had ever seen of the terms "arms and munitions of war", as used in the President's Proclamation.

After consultation with the Under Secretary and Mr. Wilson of LA,[3] I called Mr. Edwards by telephone again today. I told him that I had been thinking about our conversation of yesterday and that it had occurred to me that his question might have been in connection with some proposal that the Export Import Bank finance the exportation of flour to Bolivia. He replied that that was the case and that they were considering a proposal to assist in the financing of a large sale of wheat and wheat flour to the Bolivian Government. I said that, in view of the fact that Bolivia was engaged in a war with Paraguay,[4] the financing by any agency of this Government of such a sale to the Bolivian Government ought to be considered from its political angle. Such action by this Government would have, I said, a very unfortunate effect upon our relations with other American Republics and would give rise to justifiable criticism. Mr. Edwards said that he realized that what I had said was true and that the Export Import Bank was taking those facts into consideration in its study of the proposal. He said that he did not believe that the Bank would

[1] See also pp. 1046 ff.
[2] Department of State, *Press Releases*, June 2, 1934, p. 327.
[3] Division of Latin American Affairs.
[4] See vol. IV, pp. 7 ff.

agree to finance the sale. I replied that I hoped it would not as we could not approve such action and I requested him to see to it that the Department was officially informed of the proposal before any action was taken if the Bank should, contrary to his expectations, view the proposal favorably. He assured me that he would keep us fully informed of any further developments in the matter.

JOSEPH C. GREEN

868.248/22

Memorandum by Mr. Joseph C. Green of the Division of Western European Affairs

[Extract]

[WASHINGTON,] February 21, 1935.

Mr. Murray [5] called at my office today. He stated that his Company had been requested to quote prices on various types of military airplanes for sale to the Greek Government. He asked me whether there were any restrictions upon the export of military airplanes from the United States to Greece.

I told Mr. Murray that there were no treaties or statutes, other than those relating to military secrets under the control of the Secretaries of War and of the Navy, restricting the export of military airplanes to Greece.

Mr. Murray then asked me whether the Department would have any objection to the financing by the Export Import Bank of the sale to the Greek Government of a number of military airplanes of this type.

I replied that the Department could not possibly approve the financing of such a sale by any agency of this Government and I explained briefly the reasons on which the position of the Department in this matter was based.

Mr. Murray then asked whether the Department would disapprove also of the financing by the Export Import Bank of a sale of transport planes to the Greek Government.

I replied that I could not give a categorical answer to this question as the position of the Department would depend upon a number of considerations, such as the use for which the planes were intended, the political situation in the Near East at the time of the transaction, et cetera. I suggested that the Boeing Company might, if it desired, raise the question with the Export Import Bank, in which case it could be considered by the Department in due course.

Mr. Murray said that he entirely understood the position of the Department in respect to the financing by an agency of this Gov-

[5] J. P. Murray, Vice President of the Boeing Aircraft Company of Seattle.

ernment of sales of military aircraft to foreign governments. He said that the President of his Company was about to come to Washington to discuss the proposed sale of airplanes to Greece, and that he would inform him that there was absolutely no use in going ahead with the project to have the Export Import Bank finance the sale of distinctly military aircraft. In the course of his conversation, Mr. Murray referred to a credit of 38 billion (*sic*) francs which was recently established in a bank in Athens for the purchase abroad of airplanes, tractors, trucks, et cetera. He said that it was his understanding that 5 million francs out of the 38 billion (*sic*) were to be used for the purchase of airplanes in this country. It was his impression that the credit of 38 billion [*sic*] francs did not belong exclusively to the Greek Government, but was held jointly by the Greek Government, the Turkish Government and some other Balkan Governments.

.

JOSEPH C. GREEN

811.113/576

Memorandum by Mr. Joseph C. Green of the Division of Western European Affairs

[WASHINGTON,] March 5, 1935.

1. It would be unwise for any agency of this Government to assist in the financing of the sale to any foreign government of articles which are clearly implements of war.

2. It might be regarded as unwise for any agency of this Government to assist in the financing of the sale to the government of any country engaged in war of any commodities, the acquisition of which would increase the resources of that government in such a way as to assist it in its military operations.

3. It is suggested that in order to systematize the relations between the Department and the Second Export Import Bank in respect to the possible financing of the exportation of articles which are not clearly arms, munitions or implements of war, yet which are nevertheless intended for use in strengthening the military equipment of a purchasing government, the Second Export Bank be requested to inform the Department officially of any proposals for the financing of the exportation of such articles, in order that the Department may be in a position to consider the circumstances and to present officially for the attention of the Bank such considerations as may appear to be pertinent from the point of view of the conduct of our foreign relations.

The fact that commodities are to be paid for by the military or naval department of a foreign government, or that they are intended, or that there is reason to believe that they may be intended, for use by the army or navy of a foreign government, might be considered as constituting a rough criterion of the commodities referred to in this paragraph.

665.1115/25

Memorandum by the Acting Chief of the Division of Current Information (Key) of Press Conference of the Secretary of State

[Extract]

[WASHINGTON,] August 8, 1935.

EXPORT-IMPORT BANK

A correspondent called the Secretary's attention to a press report to the effect that the Export-Import Bank has made it known that it will not grant credits to cover any commodities which look like munitions and in accordance with this policy will refuse to finance shipments of cotton to Italy. He inquired whether the Bank's policy had been formulated at the suggestion of the State Department. The Secretary pointed out that this was a matter falling entirely within the province of the Export-Import Bank and that, accordingly, anything which was to be said on the matter should emanate from the Bank itself. The Secretary explained that the reason he felt it best for the correspondents to confer directly with the Export-Import Bank was in order to avoid any possibility of underlapping or overlapping between the Department and the Bank.

A correspondent pointed out that the Export-Import Bank had stated that their decision had been reached because of the unsettled situation existing in Italy. The correspondent inquired whether the question of the use of cotton for munition purposes had entered into the Bank's decision. The Secretary repeated that any answer to this question should be obtained from the Bank as the latter alone could make known the facts and conditions upon which its action had been based.

A correspondent inquired whether, aside from the action of the Bank, there had been any other specific instances of loans or sales being curtailed and asked whether the Secretary could say anything about the Department's general policy with regard to prohibiting shipments of munitions to Italy or Ethiopia. The Secretary reminded the correspondents that there was no existing law on this question.[6] The correspondent then asked whether the Government

[6] The Neutrality Act was approved August 31, 1935; 49 Stat. 1081.

had come to some tentative decision with regard to a general policy in cases where discretion might be exercised. The Secretary replied that frankly he had not observed any recent new developments of policy beyond what he had stated to the correspondents on this general subject in the past.

A correspondent inquired whether, in view of the past attitude of the American Government, cotton would be considered as munitions. The Secretary stated that in order to give a strictly accurate reply to this query it would be necessary for him to study the correspondence relating to contraband during the World War.

Asked whether the United States had ever admitted that cotton constituted munitions of war, the Secretary stated that for the sake of accuracy he would prefer not to discuss this matter until he had studied the correspondence.

A correspondent inquired whether the Secretary could say anything with regard to conferences between State Department officials and officials of the Export-Import Bank prior to the Bank's decision. The Secretary stated that he had not participated in any conference of this nature, but pointed out that two members of the State Department are Directors of the Export-Import Bank. A correspondent inquired whether the Bank's decision signified that the Government had decided to refuse the benefits of any credits to nations likely to go to war. The Secretary stated that he would be glad to give the correspondents any additional information on this subject which he might be able to obtain later.

.

DAVID KEY

COOPERATION WITH THE SENATE COMMITTEE INVESTIGATING THE MUNITIONS INDUSTRY (NYE COMMITTEE) IN PREPARATION OF LEGISLATION WITH RESPECT TO NEUTRALITY AND FOR THE CONTROL OF TRAFFIC IN ARMS

811.113 Senate Investigation/213

The Chairman of the Special Committee of the Senate Investigating the Munitions Industry (Nye) to Mr. Joseph C. Green of the Division of Western European Affairs

WASHINGTON, February 20, 1935.

DEAR MR. GREEN: It is hoped by the Committee that in the course of your work at the State Department, it will be possible for you to prepare a memorandum covering the problems which will be raised by the adoption of any international convention for the control of arms. I refer to the difficulties attendant upon the securing of constitutional legislation of a purely national character, either in advance of such convention or to supplement such a convention.

The Committee would appreciate any assistance you could, in the normal course of your duties, render to it along these lines, and I would be glad, if you so desire, to address a letter to this effect to the Secretary of State.

Sincerely, GERALD P. NYE

811.113/582

Memorandum by President Roosevelt for the Secretary of State

WASHINGTON, February 23, 1935.

After you get back will you speak with me about the advisability of a message on war profits and kindred subjects. I enclose a memorandum, but I do not know who it is from.[1]

F[RANKLIN] D. R[OOSEVELT]

[1] Undated memorandum by Bernard M. Baruch, not printed.

811.113 Senate Investigation/222

Memorandum by Mr. Joseph C. Green of the Division of Western European Affairs

[WASHINGTON,] March 13, 1935.

At the request of Senator Nye, Chairman of the Special Committee of the Senate Investigating the Munitions Industry, I attended an executive session of the Committee yesterday afternoon. Mr. deWolf of TD [2] accompanied me. There were present all of the members of the Committee—except Senators Vandenberg and Clark—and Mr. Raushenbush, Secretary of the Committee, and Mr. Hiss, one of its investigators.

I stated to the Committee that the Secretary had authorized me to comply with its request that I make a study of the possibilities of enacting at this time legislation such as would be required if a Convention were negotiated, based upon the Draft Articles for the Regulation and Control of the Manufacture of and Trade in Arms and the Establishment of a Permanent Disarmament Commission [3] now under discussion in Geneva.[4] I stated that Mr. deWolf, whose knowledge and experience particularly qualified him for work of this kind, had assisted me. I then outlined briefly the memorandum on the constitutional aspects of the question which had been prepared by Mr. deWolf, and explained in general terms the nature of the legislation which we had drafted for the Committee's consideration.

In response to a question of Senator Nye, I made it clear that we did not desire that the fact that we had collaborated with the Committee in the preparation of legislation should be made public.

The members of the Committee listened attentively to my exposition and afterwards asked a number of questions, of which the most important dealt with the constitutionality of the proposed legislation, the relation between the Arms Traffic Convention of 1925 [5] and the Convention now under negotiation at Geneva, the various arguments which had been adduced in favor of and in opposition to the Arms Embargo Resolution,[6] and the effect of existing treaties upon possible restrictions on the export of arms and munitions from the United States.

At the end of the meeting, which lasted somewhat over an hour, the Chairman said that he would distribute copies of the memorandum and of the draft of legislation to the members of the Committee for

[2] Treaty Division.
[3] For text of the draft articles, see Department of State, *Press Releases*, December 22, 1934, p. 391.
[4] For correspondence concerning the Disarmament Conference, see pp. 1 ff.
[5] *Foreign Relations*, 1925, vol. I, p. 61.
[6] For correspondence, see *ibid.*, 1933, vol. I, pp. 356 ff; for text of the resolution, see *ibid.*, p. 367.

their consideration, and that within a few days, he would request us to attend another meeting of the Committee, in order to answer any questions which might arise as a result of their considerations of these documents.

Mr. deWolf and I left with the impression that the Committee was disposed to consider sympathetically the draft legislation which we had submitted.

JOSEPH C. GREEN

811.113/582

Memorandum by the Secretary of State to President Roosevelt [1]

[WASHINGTON,] March 14, 1935.

In reply to your memorandum of February 23, 1935, in regard to the international traffic in arms and related matters, I submit the following considerations and recommendations.

I. IT IS RECOMMENDED THAT NO MESSAGE IN REGARD TO ARMS TRAFFIC AND RELATED MATTERS BE SENT TO CONGRESS AT THIS TIME

I do not believe that it would be wise to send a Message to Congress at this time on this subject. Such a Message would not serve any useful purpose and might result in a head-on collision with the Nye Committee, which would delay the accomplishment of the purposes which you have in mind and perhaps stir up antagonisms which would have repercussions in connection with other features of your program. It is my understanding that the Nye Committee is planning to submit a preliminary report on or about April 1st. A Message by you at this time could easily be misconstrued as an attempt to take the wind out of the sails of that Committee. Until the Committee has reported, it is doubtful whether the Senate would be willing to enter upon any serious consideration of legislation in the premises.

II. THE TWO PRINCIPAL METHODS WHICH HAVE BEEN SUGGESTED FOR DEALING WITH THE EVILS OF THE INTERNATIONAL TRAFFIC IN ARMS

(*a*) *Government Monopoly.* The suggestion has been made in various quarters that a Government monopoly of the manufacture of and trade in arms and implements of war is the best method of dealing with the evils which have arisen from the present lack of Governmental supervision and control in that field. From various public statements made by Senator Nye, it would appear that this is the solution which he favors. The Committee has not, however, com-

[1] Marginal note reads: "Handed to the President by the Secretary March 15."

mitted itself to this program and there appears to be reason to hope that it may be willing to support a program in accord with the policy of the Administration. In your discussion with Mr. Phillips [8] and Mr. Green of our telegram of May 28, 1934, to Norman Davis,[9] you decided, wisely I believe, that although the elimination of all private manufacture of arms and munitions might be admirable as an ultimate objective, it is not feasible at this time. In this connection, it may be pointed out that the institution of a Government monopoly would seriously dislocate our whole economic structure, would curtail or put an end to the business of several hundred private companies, and would put this Government in business to an extent unknown anywhere else in the world except in the U.S.S.R. It would substitute for our present elastic system, under which arms may be produced in greater or less quantities as occasion may demand, a series of large Government arsenals employing thousands of men. Under such a system, there would tend to arise a vested interest in continuous manufacture on a scale incommensurate with our needs. Non-producing nations, accustomed to purchase arms in the United States, would be obliged either to purchase from our Government—a procedure which would involve complications unnecessary to elaborate—or make their purchases in other countries, or establish, to the extent of their ability, factories and arsenals of their own. Thus, as far as the effect upon the world at large is concerned, the establishment of a Government monopoly, even by this country acting alone, would probably result in an increase in the total quantity of arms manufactured and perhaps in an increased menace to peace.

(*b*) *Supervision and Control Through Licenses and Publicity.* Since the negotiation of the Arms Traffic Convention of 1925, this Government has consistently followed the policy of attempting to establish, by international agreement, a system of supervision and control of the international traffic in arms based upon export and import licenses and full publicity. Under your administration, we have proceeded one step further and have attempted to establish by international agreement a similar system of licenses and publicity for the manufacture of arms. The Arms Traffic Convention of 1925 has not as yet been ratified. We are encountering serious and discouraging difficulties in our attempt to negotiate the more far reaching convention which Mr. Wilson proposed in Geneva on November 20 last.[10] Although this Government has been foremost during the last two years in efforts to obtain an international agreement along

[8] William Phillips, Under Secretary of State.

[9] *Foreign Relations*, 1934, vol. I, p. 75; Norman Davis was Chairman of the American delegation to the Disarmament Conference at Geneva.

[10] Department of State, *Press Releases*, December 22, 1934, p. 391.

the lines I have indicated, we have lagged behind almost all the other civilized nations of the world in our domestic legislation. The Nye Committee, in preparation for its forthcoming report to the Senate, asked Mr. Green of the Department to prepare a draft of legislation following the principles embodied in the Draft Articles now under discussion in Geneva, in so far as they could be put into effect by constitutional legislation in advance of the Convention. Mr. Green was authorized by me to comply with the Committee's request and he has submitted a draft of legislation to the Committee. I attach a copy of this draft legislation.[11] Two Articles—5*a* and 5*b*—were submitted separately because they embody the principle of the Arms Embargo Resolution, which encountered opposition in the Senate. Should the Committee decide to present this legislation, it might wish to omit these Articles, in order to avoid the controversy which arose when the Arms Embargo Resolution was under discussion. Should the Committee decide otherwise, these Articles could be incorporated in the draft legislation. I believe that this draft legislation embodies the wisest and most practical method of dealing with the evils inherent in the manufacture of and traffic in arms.

III. Cooperation With the Nye Committee

I recommend that you take occasion within the next week or ten days to summon the members of the Nye Committee to the White House for a conference. Such a conference would serve several useful purposes.

(1) It would strengthen the hand of our Delegation in Geneva, give support to the policy which we are following in our negotiations there, and help to check any tendency on the part of the Committee to adopt a program of Government monopoly.

(2) It would demonstrate to the public that the Administration is not leaving the active formulation of a program to deal with arms matters entirely to the Committee.

(3) It would demonstrate to the public that the Administration is to some degree cooperating with the Committee.

(4) It would enable you to get behind the type of legislation to control the manufacture of and traffic in arms which it is hoped the Committee may be willing to propose.

(5) It would give you an opportunity to advise the Committee to refrain from any unnecessary agitation in public hearings of questions which would handicap this Government in its relations with other Governments.

[11] Not printed.

If you approve of this recommendation, I suggest that you consider to what extent you may feel that it is wise to tell the Committee:

(1) That you have been informed that Mr. Green of the Department of State has, at the Committee's request and with my authorization, presented a draft of legislation to establish some measure of supervision and control of the manufacture of and traffic in arms; that you understand that the Committee now has this legislation under consideration; that this legislation is based upon the same principles as the Draft Articles which are now under discussion in Geneva; that you hope that the Committee may decide to report favorably on legislation of that type; and that if so you are prepared to give the Committee the backing of the Administration in this matter and, if desired, to send an appropriate Message to Congress.

(2) That our Delegation in Geneva is encountering serious difficulty in the negotiation of a Convention dealing with the manufacture of and traffic in arms and that you hope that the Committee may find it possible to include in its report a statement in support of the Draft Convention, in order to help to dispel any idea that the Senate would not give its advice and consent to the ratification of such a Convention if it were negotiated.

(3) That as it may prove impossible to negotiate successfully the more far reaching Convention now under discussion at Geneva, you hope that the Committee may assist in obtaining the advice and consent of the Senate without reservations to the Arms Traffic Convention of 1925.

(4) That the studies which your advisers have been making of the possibility of taking profit out of war have convinced you of the great difficulty of framing satisfactory legislation to that end; that you are looking forward with interest to such recommendations as the Committee may make on that subject; and that you and your associates will be glad to collaborate with the Committee in dealing with this matter to any extent which the Committee may desire.

(5) That the Commission on War Policies is not in any sense working at cross purposes with the Committee.

(6) That you understand that the Committee is planning to investigate the relation of the loans by American bankers to the Allied Governments, before our entry into the War, to our declaration of War, and that you hope that if such an investigation is considered necessary, the Committee avoid in any public hearing the agitation of any question which would offend the governments of the Powers associated with us in the War, thus making it more difficult for this Government to deal with those Governments.

C[ORDELL] H[ULL]

811.113/582

Memorandum by the Secretary of State to President Roosevelt [12]

[WASHINGTON,] March 14, 1935.

I. THE PROHIBITION OF THE EXPORT TRADE IN ARMS AND IMPLEMENTS OF WAR

It has been suggested that you propose to Congress legislation

"to prohibit the manufacture in time of peace, by any private interest, of any guns, gas, propellant, explosive, or chemical not commonly used and necessary in the liberal arts of peace"

and

"to prohibit the exportation or sale abroad of any such articles except under a special license to be issued by the State Department in a case in which the Secretary of State shall find that such exportation is required by some duly created international obligation or is advisable under some foreign policy of the United States."

Most of the arguments against the establishment of a Government monopoly in the manufacture of arms and implements of war are equally valid as arguments against this proposal. In addition, it would create an unjustifiable distinction between the manufacturers of some types of implements of war and the manufacturers of other types. Manufacturers of military airplanes, tanks, et cetera, would continue to manufacture their products and export them entirely free from Governmental control. The further proposal that after having secured the suggested legislation, you propose an international convention binding all other nations to adopt a similar program may be discarded as manifestly impracticable in the present state of the world. The difficulties which we are experiencing in Geneva in negotiating a Convention to control the manufacture of and traffic in arms along much less drastic lines is ample proof of this statement. In existing circumstances, the adoption of this proposal would do nothing toward eradicating the evils inherent in the international traffic in arms and would serve merely to deflect that trade from American manufacturers to their competitors abroad.

II. THE PROPOSAL TO "TAKE THE PROFITS OUT OF WAR"

A suggested method for taking the profits out of war, at least in some degree, was proposed by the War Policies Commission, the final report of which was transmitted to Congress by President Hoover with his message of March 7, 1932.[13] There is attached a copy of the

[12] Marginal note reads: "Handed to the President by the Secretary March 15."

[13] For texts of message and report see *Congressional Record*, vol. 75, pt. 5, p. 5340.

report. The War Policies Commission was a joint commission of the Cabinet, Senate and House, under the Chairmanship of the former Secretary of War. Its recommendations have never been enacted into law. The Senate, in setting up the Nye Committee, charged it, among other things, "to review the findings of the War Policies Commission and to recommend . . . specific legislation".[14] I am not convinced that the legislation referred to in the preceding paragraph, plus certain measures of war time taxation which have been suggested, would eliminate the profit motive for war. This is a difficult thing to accomplish as past experience has demonstrated. It may be doubted whether any means can be found to accomplish it to the extent which proponents of the idea appear to believe possible. Certainly a great deal of further careful study will be necessary before the Administration can formulate any definite program for dealing with such a complicated matter. The proper method of dealing with this matter will probably be found to lie in a carefully worked out law taxing war time profits almost to the point of confiscation. No study on which such a law could be based has as yet been made. I suggest that the question be left in abeyance until the Nye Committee has reported on that phase of its studies and until its findings can be evaluated.

C[ORDELL] H[ULL]

811.113 Senate Investigation/243

Memorandum by Mr. Joseph C. Green of the Division of Western European Affairs

[WASHINGTON,] March 29, 1935.

In compliance with the Secretary's instructions, I went to the Capitol today and discussed at some length with Senator Nye and Mr. Raushenbush the program of the Nye Committee in respect to legislation relating to the neutrality policy of the United States.

They told me that the Committee intended to present a preliminary report to the Senate on April 1st.[15] They told me further that this report would contain a general statement to the effect that the Committee, having studied the question of neutrality at the request of the President, was approaching agreement upon legislation to withdraw the protection of the American Government from American ships and American citizens entering a war zone or visiting belligerent countries. They said that no specific legislation to this end would be proposed in this preliminary report. They confirmed my understanding that the

[14] *Congressional Record*, vol. 78, pt. 6, p. 6485.
[15] *Ibid.*, vol. 79, pt. 5, p. 4726.

President had requested that no legislation of this nature be introduced until he had had an opportunity to discuss the matter further with the Committee. They expressed the hope that the President would confer with the Committee again immediately after his return, in order that legislation may be prepared for presentation during the present session of Congress.

Senator Nye handed me the attached press release [17] in regard to a speech which he is to deliver in Lexington, Kentucky, on March 30. I take it that this press release foreshadows the neutrality policy which will be outlined in the Committee's report.

I told Senator Nye and Mr. Raushenbush that the Department, at the request of the President, had been studying this matter of our neutrality policy for some time; that it was found to be a question of extreme intricacy; that no definite program of legislation had as yet been agreed upon, and that no report had as yet been made to the President. I said that when a report was made, it would, of course, be a question entirely within the discretion of the President what use he might see fit to make of that report. They said that the report might be extremely useful to the Committee in connection with its studies on this subject.

Mr. Raushenbush informed me further that the preliminary report which the Committee would make on April 1st would contain some general statements of conclusions in regard to methods of taking profits out of war. Mr. Raushenbush said further that the report would not touch upon the question of the control of the arms traffic, except in a brief passage which would express approval of the action of the Department in pressing for an international convention along the lines of the Draft Articles for the Regulation and Control of the Manufacture of and Trade in Arms and the Establishment of a Permanent Disarmament Commission, which were presented by the American Delegation to the Bureau of the General Disarmament Conference on November 20, 1934.

JOSEPH C. GREEN

811.113 Senate Investigation/244

Memorandum by Mr. Joseph C. Green of the Division of Western European Affairs

[WASHINGTON,] March 30, 1935.

In compliance with the Secretary's instructions, I called Mr. Raushenbush by telephone this morning. I told him that it had come to the attention of the Department that leading members of the Com-

[17] Not printed.

mittee on Foreign Relations of both parties were irritated at the reports which have appeared in the press to the effect that the Nye Committee is contemplating the introduction of legislation modifying the Neutrality Policy of the United States. I said that they had pointed out that this was a subject which, under the standing rules of the Senate, came within the jurisdiction of the Committee on Foreign Relations. Mr. Raushenbush thanked me for the information but added that the Nye Committee had taken up the study of our Neutrality Policy at the specific request of the President.

JOSEPH C. GREEN

811.04418/49

Memorandum by the Legal Adviser (Hackworth)[18]

PROPOSED LEGISLATION DESIGNED TO PRESERVE THE NEUTRALITY OF THE UNITED STATES

1. *Embargo on Arms and Munitions of War*

Whenever, at the outbreak of, or during any war, in which the United States is neutral, the President shall find that the public interest requires that restrictions be placed on the shipment of arms or munitions of war from the United States, or any of its possessions, and shall make proclamation thereof, it shall thereafter be unlawful to export, or to sell for export, except under such limitations and exceptions as the President may from time to time prescribe, any arms or other articles designated by the President as munitions of war from any place in the United States, or its possessions, to such country or countries as he may designate, until otherwise ordered by the President:

Provided, however, that any prohibition of export, or of sale for export, shall apply equally to all belligerents; and,

Provided, further, that exports of arms and munitions of war to any neutral country designated in the President's proclamation may be permitted during any year to the extent of the average amount per annum, in quantity and kind, of exports from the United States, and its possessions, to that country during the five years immediately preceding the beginning of the war.

Whoever, in violation of any of the provisions of this Section shall export, or attempt to export, or cause to be exported, or sell for export, arms or munitions of war from the United States, or any of its possessions, shall be fined not more than $10,000, or imprisoned not more than five years, or both, and the property, vessel, or vehicle containing

[18] Marginal note reads: "This was sent to the White House with a brief covering memorandum."

the same shall be subject to the provisions of Sections 1 to 8, inclusive, Title VI, Chapter 30 of the Act approved June 15, 1917, 40 Stat. 223–225, (Title 22, Sections 238–245, inclusive, U. S. C.).

2. *American Vessels Prohibited from Carrying Arms and Munitions of War*

Whenever, during any war in which the United States is neutral, the President shall find that the public interest requires that restrictions be placed on the carriage by American vessels of cargoes of arms or other articles designated by him as munitions of war to, or for the use of, countries engaged in such war, and shall make proclamation thereof, it shall thereafter, except as may be otherwise ordered by the President, be unlawful for any vessel of the United States to carry such cargoes from any port of the United States, or its possessions, to any port of a belligerent country, or to any neutral port for transshipment to or for the use of a belligerent country. Whenever there is reasonable cause to believe that any vessel is about to carry arms or munitions of war out of a port of the United States, or one of its possessions, in violation of this Section, the Collector of Customs for the district in which such vessel is located shall withhold clearance from such vessel, if it is required by law to secure clearance before departing from port or from the jurisdiction of the United States, or by formal notice served upon the owner, master, or person in command or charge of any vessel for which clearance is not required by law, forbid the departure of the vessel from port or from the jurisdiction of the United States.

Whoever, in violation of the provisions of this Section shall take, attempt to take, or shall authorize, hire, or solicit another to take any such vessel carrying such cargo out of port or from the jurisdiction of the United States, shall be fined not more than $10,000, or imprisoned not more than five years, or both; and, in addition, such vessel, her tackle, apparel, furniture, equipment, and the arms and munitions of war on board thereof shall be forfeited to the United States.

3. *Use of American ports as base of supplies*

Whenever, during any war in which the United States is neutral, the President, or any person thereunto authorized by him, shall have cause to believe that any vessel, domestic or foreign, whether requiring clearance or not, is about to carry out of a port of the United States, or its possessions, fuel, arms, ammunition, men, or other supplies, to any warship, tender or supply ship of a foreign belligerent nation, but the evidence is not deemed sufficient to justify forbidding the departure of the vessel as provided for by Section 1, Title V, Chapter 30 of the Act approved June 15, 1917, 40 Stat. 221 (Title 18, Section 31, U. S. C.), he may require the owner, master, or person in command

thereof, before departing from a port of the United States, or any of its possessions, for a foreign port, to give a bond to the United States, with sufficient sureties, in such amount as he shall deem proper, conditioned that the vessel will not deliver the cargo, or any part thereof, to any warship, tender or supply ship of a belligerent nation; and, if the President, or any person thereunto authorized by him, shall find that a vessel, domestic or foreign, in a port of the United States, or one of its possessions, has previously cleared from such a port during such war and delivered its cargo or any part thereof to a warship, tender or supply ship of a belligerent nation, he may prohibit the departure of such vessel during the pendency of the war.

4. *Use of American flag on vessels of belligerent nations*

Whenever, during any war in which the United States is neutral, the President shall find that vessels of a belligerent nation, whether with or without the permission of the government of such belligerent nation, are using or have used, contrary to the public interest, the flag of the United States, or any artifice or device, designed to indicate that such vessels are American vessels, and shall make proclamation thereof, it shall be unlawful for any vessel of such nation to enter a port of the United States, or any of its possessions, after the effective date of the proclamation, and it shall be the duty of the several Collectors of Customs to refuse clearance to any such vessel entering a port of the United States, or any of its possessions, after the date specified in the proclamation as the effective date thereof. If at any time after the issue of his proclamation, the President shall receive satisfactory assurance from the government of such nation that use on its vessels of the flag of the United States, or other artifice or device herein referred to, has been discontinued and will thereafter be prohibited, he may revoke his proclamation, and the provisions of this Section shall thereupon cease to apply.

5. *Submarines prohibited from entering American waters*

Whenever, during any period of national emergency, arising from a war or threat of war in which the United States is neutral, the President shall find that the public interest, or the neutrality of the United States requires that special restrictions be placed on the use of the ports and territorial waters of the United States, or its possessions, by submarines of a foreign nation, and shall make proclamation thereof, it shall thereafter, until otherwise ordered by the President, be unlawful for any such submarine to enter a port or the territorial waters of the United States, or any of its possessions, or to depart therefrom, except under such conditions and subject to such limitations as the President may prescribe.

6. *Travel by American citizens on belligerent vessels*

Whenever, during any war in which the United States is neutral, the President shall find that the public interest requires that American nationals should refrain from traveling as passengers on armed vessels of a belligerent nation, whether such vessels be armed for offensive or defensive purposes, or on any vessel of a belligerent nation carrying any cargo of arms or munitions of war, and shall make proclamation thereof, any American national who thereafter travels on such a vessel shall do so at his own risk. The Secretary of State shall make such regulations concerning the issue and use of passports as may be necessary to restrict or prevent such travel conformably to this Section and to any proclamation issued hereunder. The use of a passport contrary to such proclamation or regulations shall be sufficient cause for the cancellation of the passport.

7. *Enforcement of Sections 1 to 5, inclusive*

The President may employ such part of the land or naval forces of the United States as he may deem necessary to carry out the purposes of Sections 1 to 5, inclusive.

[The form that this paragraph should take will depend upon the final form that the legislation takes, i. e., whether as an amendment of existing legislation or as independent legislation.][19]

[WASHINGTON,] April 2, 1935.

811.113 Senate Investigation/240

Memorandum by Mr. Joseph C. Green of the Division of Western European Affairs

[WASHINGTON,] April 2, 1935.

I called Mr. Raushenbush, the Secretary of the Nye Committee, by telephone this morning and asked him to send me by special messenger a copy of the report which the Committee made to the Senate yesterday afternoon. The copy is attached hereto.[20]

I said to Mr. Raushenbush that, from the accounts which appeared in the newspapers this morning in regard to the report, it would appear that the Committee had not gone as far as my conversations of last Friday with him and with Senator Nye had led me to believe it would go in regard to legislation modifying our neutrality policy. Mr. Raushenbush told me that the change of plan had been due to

[19] Brackets appear in the original.
[20] *Congressional Record*, vol. 79, pt. 5, p. 4726.

the attitude of the Committee on Foreign Relations. When this attitude was made known to the Nye Committee, it decided to modify its report so as not to come into collision with the Committee on Foreign Relations.

JOSEPH C. GREEN

811.113 Senate Investigation/288

Memorandum by Mr. Joseph C. Green of the Division of Western European Affairs

[WASHINGTON,] April 10, 1935.

Mr. Raushenbush called me by telephone this morning. He invited my attention to Article IV of the Committee's report of April 1 to the Senate, which reads as follows:

"The Committee is in substantial agreement on a principle to govern the export of munitions and contraband in case of a major war, and expects to make certain recommendations to the Senate on this subject in the immediate future and for action in the present session of Congress. This is the only phase of the neutrality problem which the Committee considers to be within its jurisdiction."

He told me in confidence that some members of the Committee wished to go even farther in limiting the sphere of the Committee's action and to have the Committee refrain from introducing any legislation in regard to contraband.

He said that Senators Nye and Clark[21] had, in their personal capacities, introduced into the Senate yesterday neutrality legislation in regard to passports and loans.[22] He explained that this legislation was *not* sponsored by the Committee.

I said that it was my understanding that the President, at his recent conference with the Committee, had requested the Committee not to introduce neutrality legislation without further conference with him, and that I felt that the introduction of such legislation by the Chairman of the Committee, without further conference with the President, might be misunderstood.

Mr. Raushenbush replied that I was correct in my understanding of the arrangement which had been reached with the President and that he saw that there was danger that such legislation introduced by Senators Nye and Clark might be considered to be Committee legislation. He assured me, however, that it was not.

[21] Bennett Champ Clark of Missouri, member of the Special Committee of the Senate Investigating the Munitions Industry.

[22] S. J. Res. 99 and S. J. Res. 100, *Congressional Record*, vol. 79, pt. 5, pp. 5286 and 5287.

Mr. Raushenbush said that the Committee was considering requesting the Secretary to confer with it in executive session, in regard to its program of neutrality legislation. He said that the Committee was very desirous to cooperate closely with the Department in this matter.

I suggested that perhaps the Committee might wish to wait until after it had conferred with the President before calling the Secretary.

JOSEPH C. GREEN

811.113 Senate Investigation/245

The Chairman of the Senate Committee on Foreign Relations (Pittman) to the Chief of the Division of Near Eastern Affairs (Murray)

WASHINGTON, April 11, 1935.

MY DEAR MR. MURRAY: You have called to my attention, through my secretary, Mr. Lamb, that there has been a conference at which you have been present relative to Article IV of the Nye report of April 1, 1935, to the Senate, entitled "Munitions Investigation."

I do not believe that the Nye Committee has any authority to investigate or report upon the subject referred to in Article IV.

You no doubt have a copy of the resolution [28] creating the Nye Committee. I should think it would be the duty of the State Department, in the event that that Committee should call upon the State Department for any information or evidence touching the matters in Article IV, to respectfully decline to furnish such information or evidence upon the grounds that the resolution creating a special committee of the Senate does not grant such committee authority to make such investigations or report thereon, but that, on the contrary, the Committee on Foreign Relations of the Senate, a standing committee, has been granted such jurisdiction and authority, on proper reference from the Senate, to make such investigations and to report thereon.

So far, no report referred to in Article IV has been submitted to the Senate. If one is submitted, it is my purpose to move that the report be referred back to the committee on the ground that it has no jurisdiction to make such a report.

There are two resolutions referred to the Foreign Relations Committee, introduced jointly by Senators Nye and Clark. These resolutions have been forwarded to the State Department for its advice and recommendations. There is nothing improper in the introduction or reference of these resolutions.

Sincerely, KEY PITTMAN

[28] Dated April 12, 1934, *Congressional Record*, vol. 78, pt. 6, p. 6485.

811.113 Senate Investigation/237a

Memorandum by the Secretary of State to President Roosevelt

[WASHINGTON,] April 11, 1935.

COOPERATION WITH THE NYE COMMITTEE

It is my understanding that in your conference with the Nye Committee there was some reference to a further conference between you and the Committee on your return to Washington. I am informed that the Committee will request another conference in the near future. In view of the importance of the questions involved, I respectfully suggest that you may wish to give consideration to the following observations.

There are four phases of the activities of the Nye Committee to which I invite your attention—Neutrality, Taking the Profits Out of War, Control of the Arms Traffic, and the Investigation of Loans Made by the Allied Powers through American Banks in the Period 1914–17.

NEUTRALITY

The Nye Committee had not, before their recent conference with you, contemplated the introduction of legislation modifying our neutrality policy. Something which was said in that conference was interpreted by some of the members of the Committee as a desire on your part that the Committee study that problem and, after a further conference with you, introduce appropriate legislation. In statements given to the press by Senator Nye, the impression was given that at your request the Committee was turning aside from other problems which it had in hand to expedite the preparation of draft legislation on neutrality. A few days later, statements were published to the effect that the Committee was in practical agreement on the type of legislation which should be introduced. Thereupon Senator Pittman called me by telephone and protested in his own name and in that of Senator Borah [24] against what was construed as an attempt of the Executive to charge the Nye Committee with the preparation of legislation on a subject which, under the rules of the Senate, and according to precedent, properly fell within the jurisdiction of the Committee on Foreign Relations. I brought Senator Pittman's observation to the attention of members of the Nye Committee and I am informed that the Committee thereupon decided not to go forward with the preparation of legislation on *all* phases of our neutrality

[24] William E. Borah of Idaho, ranking minority member of the Senate Foreign Relations Committee.

policy. However, the report which the Committee made to the Senate on April 1 contains the following Article:

"IV. The Committee is in substantial agreement on a principle to govern the export of munitions and contraband in case of a major war, and expects to make certain recommendations to the Senate on this subject in the immediate future and for action in the present session of Congress. This is the only phase of the neutrality problem which the Committee considers to be within its jurisdiction."

This phase of the neutrality problem is sufficiently broad to cover most of the important of the questions with which neutrality legislation would be likely to deal. It is my understanding that the Committee at its conference with you will probably present a draft of legislation on this subject, for your approval.

You may wish to refrain from committing yourself to the support of any specific legislation in respect to neutrality at this time. There is apparently great diversity of opinion among your closest advisers as to the proper method of dealing with this subject and certainly great diversity of public opinion. I am informed that the leaders in the Senate are opposed to the raising of any question of foreign policy which would result in acrimonious discussion and in delaying action on necessary domestic legislation. Furthermore it is contended that in view of the present situation in Europe, discussion of this question at this time would tend to arouse unjustifiable fears of imminent war. The subject is so complicated in respect to domestic law, international law and questions of policy that you may deem it unwise for the Administration to commit itself to the support of any specific program of legislation until the subject has been further studied and until a program can be drawn up on which your advisers are in substantial agreement.

A Committee of the Department has been studying this problem for some time and I am prepared to submit to you, if you so desire, a draft of possible legislative provisions. This draft may be of assistance to you in considering this subject although I am not prepared to advocate this or any other specific program for legislation on this subject at this time.

Legislation To Take the Profits Out of War

I have been informed that from something said in your conference with the Nye Committee, members of the Committee have inferred that you approved the draft of the bill to take the profits out of war which the Committee was then considering. The report which the Committee made to the Senate on April 1, contains the following articles:

"II. The Committee is in substantial agreement on a very thorough plan to take the profits out of war and to equalize the economic burden

of war, and expects to report on this subject to the Senate legislation on the matter in the immediate future, and for action in the present session of Congress. This relates to the actual period of war only. The presentation of this report and the legislation covers one of the three major obligations imposed upon the Committee.

"III. The Committee is emphatically convinced that no bill which contains only general authorizations to the President to fix prices or to commandeer industry or to arrange for priorities and licensing is at all adequate 'to equalize the burdens and take the profits out of war'."

Article III refers to the McSwain Bill which, in amended form, passed the House on April 9.[25]

There are attached hereto a digest of the Committee's bill and a copy of the text.[26]

The Senate, in setting up the Nye Committee, charged it, among other things, "to review the findings of the War Policies Commission and to recommend . . . specific legislation". The attached bill constitutes the "specific legislation" which the Committee was charged to prepare.

Taking the profits out of war is a difficult thing to accomplish as past experience has demonstrated. It may be doubted whether any means can be found to accomplish it to the extent to which some proponents of the idea appear to believe possible. You may regard it as wise to refrain from committing yourself to support any specific legislation on this subject, until a great deal of further careful study has enabled the Administration to formulate some definite program for dealing with this complicated matter. An attitude of complete neutrality on the part of the Administration may perhaps be particularly desirable at this time when there is so much controversy in Congress between the proponents of rival bills.

Control of the Arms Traffic

Two principal methods have been suggested for dealing with the evils of the international traffic in arms.

The suggestion has been made in various quarters that a Government monopoly of the manufacture of and trade in arms and implements of war is the best method of dealing with the evils which have arisen from the present lack of Governmental supervision and control in that field. From various public statements made by Senator Nye, it would appear that this is the solution which he favors. The Committee has not, however, committed itself to this program and there appears to be reason to hope that it may be willing to support a program in accord with the policy of the Administration. In

[25] H. R. 5529, *Congressional Record*, vol. 79, pt. 5, p. 5326.
[26] Not printed.

your discussion with Mr. Phillips and Mr. Green of our telegram of May 28, 1934, to Norman Davis,[27] you decided, wisely I believe, that although the elimination of all private manufacture of arms and munitions might be admirable as an ultimate objective, it is not feasible at this time.

Since the negotiation of the Arms Traffic Convention of 1925, this Government has consistently followed the policy of attempting to establish, by international agreement, a system of supervision and control of the international traffic in arms based upon export and import licenses and full publicity. Under your administration, we have proceeded one step further and have attempted to establish by international agreement a similar system of licenses and publicity for the manufacture of arms.

Although this Government has been foremost during the last two years in efforts to obtain an international agreement along the lines I have indicated, we have lagged behind almost all the other civilized nations of the world in our domestic legislation. The Nye Committee asked Mr. Green of the Department to prepare a draft of legislation following the principles embodied in the Draft Articles now under discussion in Geneva, insofar as they could be put into effect by constitutional legislation in advance of the Convention. Mr. Green was authorized by me to comply with the Committee's request and he has submitted a draft of legislation to the Committee. I attach a copy of this draft legislation. Two Articles—*5a* and *5b*—were submitted separately because they embody the principle of the Arms Embargo Resolution, which encountered opposition in the Senate. Should the Committee decide to present this legislation, it might wish to omit these articles, in order to avoid the controversy which arose when the Arms Embargo Resolution was under discussion. Should the Committee decide otherwise, these Articles could be incorporated in the draft legislation. I believe that this draft legislation embodies the wisest and most practical method of dealing with the evils inherent in the manufacture of and traffic in arms.

The Committee has apparently in recent weeks been diverted from its original interest in the supervision of the arms traffic by its interest in neutrality legislation and legislation designed to take the profits out of war. I believe a word from you in support of this draft legislation might serve to concentrate the efforts of the Committee on this subject and to accomplish some tangible result. I suggest, therefore, that you tell the Committee that you have been informed that Mr. Green has, at the Committee's request, presented a draft of legislation to establish some measure of supervision and control of the manufacture of and traffic in arms; that you understand that the Committee now has this

[27] *Foreign Relations*, 1934, vol. I, p. 75.

legislation under consideration; that this legislation is based upon the same principles as the Draft Articles which are now under discussion in Geneva; that you hope that the Committee may decide to report favorably on legislation of this type; and that if so you are prepared to give the Committee the backing of the Administration in this matter and, if circumstances appear to warrant it, to send an appropriate Message to Congress.

Investigation of Loans Made by the Allied Powers Through American Banks 1914–17

The Committee, in connection with its study of methods to take the profits out of war, is proceeding with the examination of documents in the files of the Guaranty Trust Company of New York pertaining to the dealings between that Bank and the British Government in 1916 and with documents from the files of the Central Hanover Bank of New York in regard to the French loan of April 1, 1917, made by the Central Union Trust Company of New York, predecessor of the Central Hanover Bank. The Committee is proposing to examine several thousand documents in the files of J. P. Morgan and Company, relating to the dealings between the British Government and that Bank in 1914–17. The British and French Ambassadors, acting under instructions of their Governments, have protested against this procedure.[28] Mr. John W. Davis, acting as counsel for two of the Banks, has drawn up a brief, questioning the legal right of the Committee to examine the documents in question. My legal advisers do not believe that the legal arguments of the British and French Governments and of Mr. Davis are well founded. Nevertheless, as there is a question of international comity involved, I approached the Chairman of the Committee and suggested that he refrain from this phase of its proposed investigation. This suggestion was not agreeable to Senator Nye. He agreed, however, that none of the documents in question, the publicity of which might result in embarrassment to the British and French Governments, would be published until they had been referred to me and I had had an opportunity to consult the interested Ambassador in order to ascertain the attitude of his Government. This agreement did not satisfy the Ambassadors who, acting under instructions, object on principle to any examination of the documents by the Committee whether their contents are made public or not.

Waiving the question of the legal right of the Committee in the premises, I recommend that in your conference with the Committee, you urge that it do not proceed with the examination of these documents. The proposed action of the Committee would result in irritating the British and French Governments and it is difficult to

[28] See pp. 360 ff.

conceive that any useful purpose could be served by a study of these documents. It can scarcely be maintained with reason that such a study is a necessary preliminary to the study of legislation for taking profits out of war particularly as the Committee has already prepared its Bill on that subject.

[File copy not signed.]

[Enclosure]

DRAFT BILL: NATIONAL MUNITIONS ACT

AN ACT

To control the trade in arms, ammunition and implements of war.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That for the purposes of this Act—

(*a*) The term "Board" means the National Munitions Control Board which is hereby established to carry out the provisions of this Act. The Board shall consist of the Secretary of State, who shall be chairman and executive officer of the Board, the Secretary of the Treasury, the Secretary of War, the Secretary of the Navy, and the Secretary of Commerce. Except as otherwise provided in this Act or by other law, the administration of this Act is vested in the Department of State;

(*b*) The term "United States" when used in a geographical sense includes the several States and Territories, the insular possessions of the United States (including the Philippine Islands), the Canal Zone and the District of Columbia;

(*c*) The term "person" includes a partnership, company, association or corporation, as well as a natural person.

SEC. 2. The President is hereby authorized to proclaim from time to time a list of articles which shall be considered arms, ammunition and implements of war for the purposes of this Act.

SEC. 3 (*a*) Within ninety days after the effective date of this Act or upon first engaging in business every person who engages in the business of exporting or importing any of the arms, ammunition and implements of war, whether as an exporter, importer, manufacturer or dealer, shall register with the Secretary of State his name, or style, principal place of business, and places of business in the United States, and a list of the arms, ammunition and implements of war, which he habitually exports, imports, or is equipped to manufacture for import.

(*b*) Every person required to register under the provisions of this section shall pay a registration fee of $500.00 and upon receipt of such fee the Secretary of State shall issue a registration certificate valid for

five years which shall be renewable for further periods of five years upon the payment for each renewal of a fee of $500.00.

(*c*) Every person required to register under this section shall notify the Secretary of State of any change in the arms, ammunition, and implements of war which he habitually exports, imports or is equipped to manufacture; and upon such notification the Secretary of State shall issue to such person an amended certificate of registration, free of charge, which shall remain valid until the date of expiration of the original certificate.

(*d*) It shall be unlawful for any person required to register under the provisions of this section to import or export any of the arms, ammunition or implements of war without having registered in accordance with the provisions of this section.

SEC. 4. It shall be unlawful for any person to export, or attempt to export, from the United States any arms, ammunition or implements of war to any other country or to import, or attempt to import, to the United States from any other country any arms, ammunition or implements of war without first having obtained a license therefor from the Department of State.

SEC. 5. No licenses shall be issued to persons who have failed to register as provided for in Section 3, nor shall licenses be issued for the export of arms, ammunition and implements of war unless the government of the country to which such arms are to be exported has indicated to the satisfaction of the Secretary of State that permission for the importation has been accorded; *Provided, however*, That no licenses shall be issued for the export of toxic gases or instruments designed for their use in warfare.

SEC. 6. (*a*) Any arms, ammunition or implements of war which have at any time been exported or imported or which it has been attempted to export or import, in violation of the provisions of this Act shall be subject to seizure and forfeiture.

(*b*) In the case of the forfeiture of any arms, ammunition or implements of war by reason of a violation of this act, no notice of public sale shall be required; no such arms, ammunition or implements of war shall be sold at public sale, but they shall be delivered to the Secretary of War; and the Secretary of War may order such arms, ammunition or implements of war destroyed or may retain them for the use of the armed forces of the United States.

SEC. 7. (*a*) The Secretary of State, after consultation with the Board, shall issue regulations for carrying out the provisions of this Act.

(*b*) The Board shall be called by the Chairman and shall hold at least one meeting a year. It shall furnish the Secretary of

State such advice and information as he may request. The Secretary of the Treasury shall issue such regulations with regard to the export and import of arms, ammunition and implements of war as may be necessary for carrying out the provisions of this Act.

SEC. 8. (*a*) No purchase of arms, ammunition and implements of war shall be made on behalf of the United States by any officer, executive department, or independent establishment of the Government from any person who shall have failed to register under the provisions of Section 3 of this Act.

(*b*) Any contract in violation of the provisions of this section is hereby declared to be contrary to the public policy of the United States, shall not be enforceable in any court of the United States and shall not afford any basis for the granting of legal or equitable relief by any such court.

SEC. 9. No sale of arms, ammunition or implements of war shall be made on behalf of the United States by any officer, executive department or independent establishment of the Government to any foreign Government. The Act of August 29, 1916,[29] relating to the sale of ordnance and stores to the Government of Cuba, is hereby abrogated.

SEC. 10. All persons required to register under Section 3 of this Act shall maintain such permanent records of manufacture, importation and exportation of arms, ammunition and implements of war as the Board shall prescribe.

SEC. 11. Any person who violates or fails to comply with any of the requirements of this Act or any regulations under this Act shall, on conviction, be fined not more than $10,000, or be imprisoned for not more than five years, or both, in the discretion of the court.

SEC. 12. The sum of $25,000 is hereby authorized to be appropriated out of any money in the Treasury not otherwise appropriated to be expended by the Secretary of State for the expenses of the Board in carrying out the duties as aforesaid.

SEC. 13. The Board shall make an annual report to Congress, copies of which shall be distributed as are other reports transmitted to Congress. Such report shall contain such information and data collected by the Board as may be considered of value in the determination of questions connected with the control of trade in arms, ammunition and implements of war. It shall include a list of all persons required to register under the provisions of Section 3 and full information concerning the licenses issued under the provisions of Section 4.

SEC. 14. If any provision of this Act, or the application thereof to any person or circumstance, is held invalid, the remainder of the Act, and the application of such provision to other persons or circumstances shall not be affected thereby.

[29] 39 Stat. 643.

SEC. 15. This Act shall take effect on the ninetieth day after the date of its enactment.

SEC. 16. This Act may be cited as the "National Munitions Act".

ADDITIONAL ARTICLES

SEC. 5. (*a*) Whenever the President finds that in any part of the world conditions exist such that the shipment of arms, ammunition or implements of war from countries which produce these commodities may promote or encourage the employment of force in the course of a dispute or conflict between nations, and after having secured the cooperation of such governments as the President deems necessary he shall make proclamation thereof, no licenses for the export of the arms, ammunition or implements of war listed in Section 2 shall be issued except under such limitations and exceptions as the President may prescribe, from any place in the United States to such country or countries as he may designate until otherwise ordered by the President, or by Congress.

(*b*) Whenever the President finds that in any part of the world conditions exist such that the shipment of arms, ammunition or implements of war from countries which produce these commodities may promote or encourage the employment of force in the course of a dispute or conflict within a nation, and after having secured the cooperation of such governments as the President deems necessary he shall make proclamation thereof, no licenses for the export of the arms, ammunition or implements of war listed in Section 2 shall be issued except under such limitations and exceptions as the President may prescribe, from any place in the United States to such country or countries as he may designate until otherwise ordered by the President or by Congress.

811.113 Senate Investigation/246

Memorandum by Mr. Joseph C. Green of the Division of Western European Affairs

[WASHINGTON,] April 12, 1935.

In compliance with the Secretary's request, I called on Senator Nye in his office this morning. I found the Munitions Committee in executive session. All members of the Committee were present except Senator Vandenberg.

I told the Committee that when I had received from Mr. Raushenbush an intimation that the Committee was contemplating inviting the Secretary to appear before it in executive session to discuss neutrality legislation, I had informed the Secretary that such an invita-

tion might be forthcoming. I said that the Secretary was anxious to cooperate with the Committee in every possible way, as he had ever since its organization, but that he had been informed that the Chairman and some members of the Foreign Relations Committee did not agree with the Munitions Committee's interpretation of its jurisdiction in respect to neutrality legislation, as expressed in Article IV of its report to the Senate. I said that, in these circumstances, the Secretary might be seriously embarrassed if the Committee were to invite him to appear before it to discuss neutrality legislation. I, therefore, suggested that the Committee might wish, through discussion with the Committee on Foreign Relations, to clear up this question of jurisdiction before sending any invitation to the Secretary.

Several members of the Committee replied. The substance of their remarks was identical. They all said that they thoroughly appreciated the embarrassment in which the Secretary would be placed if the contemplated invitation were sent to him, and that the Committee should refrain from sending such an invitation, at least until the question of jurisdiction was entirely settled to the satisfaction of the Committee on Foreign Relations. Senator Nye said that he wished that the Committee could wash its hands of the whole question of neutrality legislation; that the Committee had never contemplated dealing with such legislation until "the President laid it on our doorstep". He said that the Committee had plenty to do without attempting to deal with such a complicated matter and that he, for his part, would be glad to turn the whole thing over to the Committee on Foreign Relations. All of the members of the Committee present concurred in this view.

In regard to the question of jurisdiction, the Committee was unanimous in the opinion that the Resolution by which the Committee was created was sufficiently broad to justify it in presenting legislation on the question of neutrality if it so desired. Nevertheless, they felt that, as a matter of practical politics, it would be highly undesirable for the Committee to antagonize Senators Pittman and Borah. A motion was made and carried unanimously that Senator Nye should be directed to confer with Senators Pittman and Borah, with a view to settling the question of jurisdiction. The hope was expressed that he might be able to persuade them to undertake a discussion of neutrality questions in the Committee on Foreign Relations, and so relieve the Munitions Committee of all responsibility in this field.

I learned incidentally that the President had asked the Committee to confer with him, but that one of his secretaries had called up this morning and had postponed the conference, for which no date has as yet been fixed.

JOSEPH C. GREEN

811.113/608

The Secretary of State to President Roosevelt

WASHINGTON, May 8, 1935.

MY DEAR MR. PRESIDENT: In the memorandum, in regard to cooperation with the Nye Committee, which I sent you on April 11, 1935, I referred to a Draft Bill to enable the Executive to exercise some measure of supervision over the export of arms. This Draft Bill was prepared at the request of the Committee by Mr. Green of the Department. Its provisions conform to the policy which this Government has followed in relation to the Arms Traffic Convention of 1925 and in relation to the Draft Convention for the Control of the Arms Traffic, which was presented to the Disarmament Conference by the American Delegation on November 20, 1934, and which recently passed its first reading by the Committees of the Conference which have been considering it. I am confidentially informed that the Nye Committee is favorably disposed to this Bill, and that it would probably report it to the Senate for action at this session if it were understood that the Bill would have the support of the Administration. Otherwise, the Committee will probably defer action on the Bill until the next session of Congress.

In the present international situation, the international traffic in arms is assuming greater and greater political importance. Although this Government has been foremost during the last two years in efforts to obtain an international agreement for the supervision of the arms traffic, we have lagged behind almost all the other civilized nations of the world in our domestic legislation. I enclose a copy of the Draft Bill.[30] I believe that this Bill embodies the wisest and the most practical method of dealing with the evils inherent in the manufacture of and traffic in arms, and I am strongly convinced that the passage of legislation on this subject should not be longer delayed.

I, therefore, respectfully suggest that you inform the Committee that you have been informed that Mr. Green has, at the Committee's request, presented a draft of legislation to establish some measure of supervision and control of the manufacture of and traffic in arms; that you understand that the Committee now has this legislation under consideration; that this legislation is based upon the same principles as the Draft Articles which are now under discussion in Geneva; that you hope that the Committee may decide to report favorably on legislation of this type in this session of Congress; and that if so you are prepared to give the Committee the backing of the Administration in this matter and, if circumstances appear to warrant it, to send an appropriate Message to Congress.

Faithfully yours, CORDELL HULL

[30] *Ante*, p. 336.

811.04418/57a

The Under Secretary of State (Phillips) to President Roosevelt

[WASHINGTON,] July 16, 1935.

MY DEAR MR. PRESIDENT: The Secretary and Judge Moore[31] attended last week a meeting of the Senate Committee on Foreign Relations at which they pointed out the necessity of caution in proceeding with the enactment of legislation which would affect our neutrality policy, and made specific criticisms of certain provisions of the two neutrality bills[32] which the Committee had reported out and of the third bill[33] which was still pending in the Committee. The Committee thereupon voted to recall the two former bills, to give further consideration to this legislation and to appoint a sub-committee to confer with the Department in regard to the whole subject of neutrality legislation.

I have been informed that a delegation of Senators interested in the enactment of neutrality legislation may call upon you in the near future to request you to express your views upon the subject of neutrality legislation and upon the advisability of the enactment of such legislation at the present session of Congress. A group in the Department has been at work for some time studying possible neutrality legislation and we are prepared, if you so desire, to submit to you a draft of proposed legislation which you might wish to consider before receiving the group of Senators should they call upon you.

The sub-committee appointed by the Committee on Foreign Relations may possibly request me to confer with it on this subject and I would not care to comply with such an invitation until I had received a definite expression of your wishes in the premises.

It is possible that no necessity will arise for immediate discussion of this matter with members of the Senate, but it would appear to be advisable to be prepared in case the necessity should arise. I do not wish to burden you with this problem at this time and I am writing merely as a precaution and to let you know that if you are called upon or if the State Department is called upon to take a definite stand on this matter, I should appreciate it if I could have an opportunity in advance of any meeting with the Senators to discuss the matter fully with you and to receive an expression of your views.

Faithfully yours, WILLIAM PHILLIPS

[31] R. Walton Moore, Assistant Secretary of State.

[32] S. J. Res. 99 and S. J. Res. 100 were recommitted to the Senate Foreign Relations Committee on July 11; see *Congressional Record*, vol. 79, pt. 10, p. 10998.

[33] S. J. Res. 120, *ibid.*, pt. 7, p. 7042.

811.04418/79

Memorandum by the Under Secretary of State (Phillips)[34]

[WASHINGTON,] July 29, 1935.

I welcome this opportunity to meet and consult with this group of Senators with regard to possible legislation to modify the neutrality policy of the United States. In the absence of the Secretary, let me assure you on his behalf, and on my own, that the Department is glad to cooperate wholeheartedly in the effort to revise and strengthen our neutrality laws.

The Department has for some time been convinced of the desirability of a thorough revision of our neutrality legislation, with a view to preventing, so far as this can be done, those acts by belligerents and by our own citizens which experience has shown are likely to involve us in wars between other powers. A year ago the Secretary appointed a committee of officers of the Department to study the subject. Such a task cannot be lightly undertaken or rapidly completed. The more extensively we have examined the subject, the more we have found ourselves confronted by perplexing problems of domestic law, of international law, and of foreign policy—problems which cannot be solved without laborious and protracted consideration. Some of the problems can effectively be dealt with by domestic legislation, but there are others, as for example those arising in connection with the international traffic in arms, and the traffic in contraband, which, in the absence of international agreement, can be dealt with only in partial fashion by domestic legislation.

It is possible that the Committee may decide against piece meal legislation, attacking separately this or that specific problem, and that, on the other hand, there should be enacted a single well considered and thoroughly coordinated and integrated measure. Furthermore, it may be the view of the Committee that there should be enough flexibility in whatever legislation is enacted to enable our Government to deal with changing conditions and shape its course according to all the varying and unforeseen situations with which, as times goes on, it will doubtless be confronted. Rigid provisions might perhaps, in given circumstances, serve to defeat their own ends.

May I suggest to the Committee that in its study of this subject it may be well to bear in mind that a cardinal policy of the Government of the United States is and has been for some time the promotion of peace through disarmament and the control of the international traffic in arms, which can be satisfactorily dealt with only by in-

[34] Read at a hearing before the Senate Foreign Relations Committee, July 30, 1935.

ternational cooperation and agreement. In the pursuit of this policy this Government has endeavored to conduct its diplomacy in conformity with our national traditions and the highest interests of this country. Although the present prospects for an early agreement on these subjects are not very promising, we have not abandoned hope, and we do not wish to give to others the impression of any lessening of our earnest desire to achieve it. It seems to us, therefore, important that there should be no provision in the legislation which your Committee has under consideration which would give such an impression or which would diminish in any way our ability to throw the weight and influence of this Government toward disarmament and the effective control of the international traffic in arms by international agreement.

I am prepared to comment upon the three pending resolutions and to furnish such suggestions as may, perhaps, be helpful in regard to them and also in regard to other important aspects of the problem under consideration which are not dealt with therein, such as, for instance, the carrying of arms on American vessels, the use of American ports by belligerents as bases of supplies, the use of the American flag on vessels of belligerent nations and the entrance of the submarines of belligerent nations into American waters.

I should particularly like to refer now to Senate Bill 2998,[35] which has been reported favorably in both branches of Congress, and suggest that its enactment will provide a most useful basis on which other legislation should rest. This bill has the approval of the President, and of the two Committees that have reported it. Its enactment would enable our Government to carry out its international obligations under the recently ratified arms traffic convention of 1925; it would enable the Department of State to enforce efficiently those restrictions on the export of arms already in effect which we have found it impossible to enforce effectively under existing legislation; it would subject to the full light of publicity the exportation of arms from the United States, which is now shrouded in secrecy, and most important, in connection with a subject now being canvassed, it would enable our Government to enforce any further restriction on the export of arms which may be included in neutrality legislation. It is not too much to say that the enactment of this bill will furnish the necessary foundation for such legislation as that which is now being considered by the Committee.

Following the frank discussion now to be had, the State Department will be prepared to present within a few hours drafts of such legislation as may be deemed desirable.

[35] *Congressional Record*, vol. 79, pt. 8, p. 8666.

In conclusion, permit me to repeat that the Secretary and I desire to cooperate wholeheartedly with you in dealing with the problems now under consideration by your Committee.

811.04418/68a

The Under Secretary of State (Phillips) to the Chairman of the Senate Committee on Foreign Relations (Pittman)

WASHINGTON, July 31, 1935.

MY DEAR SENATOR PITTMAN: I am writing this in compliance with what I understood to be the request of the sub-committee at the close of the hearing yesterday.

(1) It seems to me that the doubt raised as to the construction of Section 5 of S. 2998 can be removed by amending that section, by striking out the words in lines ten and twelve beginning with "Provided" and ending with "warfare" and substituting in their place the following:

"*Provided, however*, That no licenses shall be refused by the Secretary of State for reasons other than those specified in this Section except in cases where the proposed exportation would be in violation of a law of the United States or of a treaty to which the United States is a party, and *Provided, further*, That no licenses shall be issued for the export of appliances and substances exclusively intended for use in chemical warfare".

(2) The enclosure, in several copies, which contains various suggestions with reference to neutrality legislation was drafted on the theory that it might be desired to consider the enactment of a single measure dealing with various phases of the subject. But, of course, should that not be desired any one of the sections could be made an independent bill or resolution by a slight change of language.

You will see that the sections headed I, VI, and VII have reference to the matters dealt with in the three pending resolutions introduced by Senators Nye and Clark and that the other sections deal with matters that are not, so far as I know, covered by any pending proposals.

You will, of course, understand, as stated yesterday, that this Department is not seeking to thrust its views on Congress, but is simply endeavoring to be of help in the treatment of an important subject in response to your request.

After talking with the Committee's Secretary, Mr. Lamb, I have thought best to transmit to you a sufficient number of copies of what has been drafted here to enable him to furnish a copy to each member of the sub-committee and to Senator Nye and to Senator Clark.

Very sincerely yours, WILLIAM PHILLIPS

[Enclosure]

Memorandum on Suggested Neutrality Legislation

I. Embargo on Arms, Ammunition and Implements of War

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That upon the outbreak of or during the progress of war between or among two or more foreign states, or whenever the President finds that conditions existing in any part of the world are such that the shipment of arms, ammunition and implements of war from the United States may involve the United States in international complications or contribute to armed conflict, and when in either such case the President finds that the imposition of restrictions on the export of such war material from the United States will serve to maintain peace between the United States and foreign nations or to protect the commercial interests of the United States and its citizens or to promote the security of the United States and shall so proclaim, then thereafter the Secretary of State shall issue no licenses for the export of arms, ammunition and implements of war from any place in the United States to such countries as the President may designate.* When in the judgment of the President the conditions which have caused him to issue such proclamation have ceased to exist he shall revoke the same and the provisions hereof shall thereupon cease to apply; Provided, That the President shall notify Congress of his action which shall remain effective unless or until revoked or modified by a Proclamation of the President or by an Act of Congress.

II. American Vessels Prohibited from Carrying Arms, Ammunition, and Implements of War

Whenever, during any war in which the United States is neutral, the President shall find that the imposition of restrictions on the carrying of arms, ammunition, and implements of war by American vessels to, or for the use of, countries engaged in such war, will serve to maintain peace between the United States and foreign nations, or to protect the commercial interests of the United States and its citizens, or to promote the security of the United States, he shall so proclaim, and it shall be unlawful for any vessel of the United States to carry any arms, ammunition, or implements of war to any port of a belligerent country, or to any neutral port for transshipment to, or

*Note: Lines 15–19 are premised on the supposition that the Bill S. 2998, introduced by Senators Pope, Nye, Bone, George and Clark on May 13 (calendar day, June 5), 1935, will be passed by the Congress. [Reference is to the clause beginning "then thereafter the Secretary of State . . ." Footnote in the original.]

for the use of, a belligerent country. Whenever there is reasonable cause to believe that any American vessel is about to carry arms, munitions or implements of war out of a port of the United States, or of one of its possessions, in violation of this Section, the Collector of Customs for the district in which such vessel is located shall withhold clearance from such vessel, if it is required by law to secure clearance before departing from port or from the jurisdiction of the United States, or by formal notice served upon the owner, master, or person in command or charge of any vessel for which clearance is not required by law, forbid the departure of the vessel from port or from the jurisdiction of the United States.

Whoever, in violation of the provisions of this Section shall take, attempt to take, or shall authorize, hire, or solicit another to take any such vessel carrying such cargo out of port or from the jurisdiction of the United States, shall be fined not more than $10,000, or imprisoned not more than five years, or both; and, in addition, such vessel, her tackle, apparel, furniture, equipment, and the arms, ammunition, and implements of war on board shall be forfeited to the United States.

When, in the President's judgment, the conditions which have caused him to issue his proclamation have ceased to exist, he may revoke his proclamation and the provisions of this Section shall thereupon cease to apply.

III. Use of American Ports as Bases of Supplies

Whenever, during any war in which the United States is neutral, the President, or any person thereunto authorized by him, shall have cause to believe that any vessel, domestic or foreign, whether requiring clearance or not, is about to carry out of a port of the United States, or its possessions, men or fuel, arms, ammunition, implements of war or other supplies, to any warship, tender or supply ship of a foreign belligerent nation, but the evidence is not deemed sufficient to justify forbidding the departure of the vessel as provided for by Section 1, Title V, Chapter 30 of the Act approved June 15, 1917, 40 Stat. 221 (Title 18, Section 31, U. S. C.), and if, in the President's judgment, such action will serve to maintain peace between the United States and foreign nations, or to protect the commercial interests of the United States and its citizens, or to promote the security of the United States, he shall have the power and it shall be his duty to require the owner, master, or person in command thereof, before departing from a port of the United States, or any of its possessions, for a foreign port, to give a bond to the United States, with sufficient sureties, in such amount as he shall deem proper, conditioned that the vessel will not deliver

the men, or the cargo, or any part thereof, to any warship, tender or supply ship of a belligerent nation; and, if the President, or any person thereunto authorized by him, shall find that a vessel, domestic or foreign, in a port of the United States, or one of its possessions, has previously cleared from such a port during such war and delivered its cargo or any part thereof to a warship, tender or supply ship of a belligerent nation, he may prohibit the departure of such vessel during the duration of the war.

IV. Use of American Flag on Vessels of Belligerent Nations

Whenever, during any war in which the United States is neutral, the President shall find that vessels of a belligerent nation, whether with or without the permission of the Government of such belligerent nation, are using or have used, contrary to the public interest, the flag of the United States, or any artifice or device, designed to indicate that such vessels are American vessels, and shall make proclamation thereof, it shall be unlawful for any vessel of such nation to enter a port of the United States, or any of its possessions, after the effective date of the proclamation, and it shall be the duty of the several Collectors of Customs to refuse clearance to any such vessel entering a port of the United States, or any of its possessions, after the date specified in the proclamation as the effective date thereof. If at any time after the issue of his proclamation, the President shall receive satisfactory assurance from the government of such nation that use on its vessels of the flag of the United States, or other artifice or device herein referred to, has been discontinued and will thereafter be prohibited, he may revoke his proclamation, and the provisions of this Section shall thereupon cease to apply.

V. Submarines Prohibited From Entering American Waters

Whenever, during any war in which the United States is neutral, the President shall find that special restrictions placed on the use of the ports and territorial waters of the United States, or of its possessions, by the submarines of a foreign nation will serve to maintain peace between the United States and foreign nations, or to protect the commercial interests of the United States and its citizens, or to promote the security of the United States, and shall make proclamation thereof, it shall thereafter be unlawful for any such submarine to enter a port or the territorial waters of the United States or of any of its possessions, or to depart therefrom, except under such conditions and subject to such limitations as the President may prescribe. When, in his judgment, the conditions which have caused him to issue his proclamation have ceased to exist, he may revoke his proclamation and the provisions of this Section shall thereupon cease to apply.

VI. Financial Transactions With Foreign Belligerent Governments

Whenever, during any war in which the United States is neutral, the President shall find that the public interest requires that special restrictions be placed on the furnishing of financial assistance to the countries engaged therein, and shall make proclamation thereof, it shall thereafter during the period of such war or armed conflict, or until otherwise ordered by the President, be unlawful for any person, corporation, partnership, organization or association within the United States or any place subject to the jurisdiction thereof, to purchase or sell bonds, securities or other obligations of any such foreign government, or political subdivision thereof, or any organization or association acting for or on behalf of such foreign government or political subdivision, issued after the date of such proclamation, or to make any loan to such foreign government or political subdivision, organization or association. The provisions of this Act shall not apply to a renewal or adjustment of indebtedness existing on the date of such proclamation.

Whoever shall violate the provisions of this Act shall, upon conviction thereof, be fined not more than $10,000, or imprisoned for not more than five years, or both.

When, in his judgment, the conditions which have caused him to issue his proclamation have ceased to exist, he may revoke his proclamation and the provisions of this Section shall thereupon cease to apply.

VII. Travel by American Citizens on Belligerent Vessels

Whenever, during any war in which the United States is neutral, the President shall find that the maintenance of peace between the United States and foreign nations, or the protection of the lives of citizens of the United States, or the protection of the commercial interests of the United States and its citizens, or the security of the United States, requires that American citizens should refrain from traveling as passengers on the vessels of any belligerent nation, he shall so proclaim, and thereafter no citizen of the United States shall travel on any vessel of any belligerent nation except at his own risk; Provided, however, that the provisions of this Section shall not apply to a citizen traveling on the vessel of a belligerent whose voyage was begun in advance of the date of the President's proclamation, and who had no opportunity to discontinue his voyage after that date, and provided further that they shall not apply until ninety days after the date of the President's proclamation to a citizen returning from a foreign country to the United States or to any of its possessions. When, in the President's judgment, the conditions which have caused

him to issue his proclamation have ceased to exist, he may revoke his proclamation and the provisions of this Section shall thereupon cease to apply.

VIII. Enforcement of Sections 1 to 7, Inclusive

The President may employ such part of the land or naval forces of the United States as he may deem necessary to carry out the purposes of Sections 1 to 7, inclusive. †

711.00111 Armament Control/2

The Secretary of State to President Roosevelt

Washington, August 29, 1935.

My Dear Mr. President: I am in receipt of Mr. McIntyre's letter of August 24, 1935,[36] requesting me to inform you whether or not I have any objection to S. J. Res. 173,[37] Joint Resolution providing for the prohibition of the export of arms, ammunition, and implements of war to belligerent countries; the prohibition of the transportation of arms, ammunition, and implements of war by vessels of the United States for the use of belligerent states; for the registration and licensing of persons engaged in the business of manufacturing, exporting, or importing arms, ammunition, or implements of war; and restricting travel by American citizens on belligerent ships during war.

This Joint Resolution was based in part upon tentative suggestions for legislation to modify our neutrality policy which were furnished by the Department to the Senate Committee on Foreign Relations at the request of its Chairman, and in part upon S. 2998—A Bill To control the trade in arms, ammunition, and implements of war—which was drafted by Mr. Green of the Department and has since had the active support of the Department. In combining and redrafting these tentative suggestions and this Bill, the Committee on Foreign Relations modified them in several essential respects. The most important of these modifications are embodied in Sections 1 and 2 of the Joint Resolution.

Section 1 would require the President "upon the outbreak or during the progress of war between or among two or more foreign states" to "proclaim such fact". Thereafter it would be unlawful to export such arms as the President might designate to any of the belligerent

† Note: This suggestion is based on the supposition that all the other suggestions may be adopted as separate sections of a single Bill. It is in line with a similar provision in Section 9, Title V, of the Act of June 15, 1917, 40 Stat. 223 (Title 18, Section 38 U. S. C.) [Footnote in the original.]

[36] Not printed.

[37] Approved August 31, 1935; 49 Stat. 1081.

states. This provision is, in my opinion, an invasion of the constitutional and traditional power of the Executive to conduct the foreign relations of the United States. It is an attempt to impose upon the Executive by legislative act a fixed and inflexible line of conduct which it must follow, thereby depriving it of a large measure of its discretion in negotiating with foreign powers in circumstances when Executive discretion and flexibility of policy might be essential to the interests of the United States. Furthermore this provision would tend to deprive this Government of a great measure of its influence in promoting and preserving peace. The question of our attitude toward collective action against an aggressor is only one of the many aspects of a much larger question.

Section 2 contains provisions, selected apparently somewhat at random and without due consideration of the importance of the parts which are omitted, drawn from S. 2998, a Bill which in its original form was a carefully considered and well coordinated unit.

Both Sections 1 and 2 contain obscure provisions which it will be difficult to interpret, provisions which are so worded as to make their enforcement unnecessarily complicated and difficult, and provisions of very doubtful constitutionality.

In spite of my very strong and, I believe, well founded objections to this Joint Resolution, I do not feel that I can properly in all the circumstances recommend that you withhold your approval. Section 1 terminates on February 29, 1936. Section 2 is so manifestly inadequate that it will have to be later amended. I hope that satisfactory legislation to replace these two sections can be enacted at the next session of Congress. I shall at the appropriate time venture to submit, for your consideration, the text of a message on this subject which you may wish to address to the Congress.

If you intend to make a statement to the press in regard to this Joint Resolution you may wish to make some such statement as the following:

I have given my approval to S. J. Res. 173—the neutrality legislation which passed Congress last week.

I have approved this Joint Resolution because it was intended as an expression of the fixed desire of the Government and the people of the United States to avoid any action which might involve us in war. This Joint Resolution may in some degree serve to that end. Section 1 terminates on February 29, 1936. There will be time before that date for Congress to give further and fuller consideration to the subjects dealt with in this Joint Resolution. I hope that Section 1 may be replaced by permanent legislation which will provide for greater flexibility of action in the many unforeseeable situations with which we may be confronted. It is the policy of this Government to avoid being drawn into wars between other nations, but it is equally our policy to exert the influence of this country in

cooperation with other governments to maintain and promote peace. It is conceivable that situations may arise in which inflexible provisions of law might have exactly the opposite effect from that which was intended. I hope also that Section 2 may be redrafted along the lines of the Bill to control the trade in arms, ammunition and implements of war, which was favorably reported by the appropriate Committees of both Houses but which failed of enactment. Moreover, when this subject is again considered by Congress, it may well be found that the Joint Resolution may be expanded so as to include provisions dealing with important aspects of our neutrality policy which have not been dealt with in this temporary measure.

If, for any reason, you should not deem it advisable to make such a statement, would you or not suggest my giving a similar statement to the press?

The engrossed bill is returned herewith.

Faithfully yours, CORDELL HULL

711.00111 Armament Control/23

Memorandum by Mr. Charles W. Yost of the Division of Western European Affairs

[WASHINGTON,] September 3, 1935.

Mr. Per Wijkman, Chargé d'Affaires ad interim of Sweden, called to make certain inquiries regarding the interpretation of the recent Neutrality Resolution. He wished to know particularly how the term "implements of war" under Section I of the Resolution would be defined, and whether it would include raw materials. He pointed out that the Chairman of the Senate Foreign Relations Committee in the course of the debate on the Resolution had indicated that the Geneva Convention of June 17, 1925, would be used as the basis of this definition.

I replied that no proclamation had been prepared nor was likely to be prepared until the situation seemed to require it; that it was impossible to say at this time what items such a proclamation would cover, but that the President would naturally endeavor to follow the intent of Congress. It was not my personal opinion that he would feel obliged to extend the mandatory embargo set up by the Resolution to items other than those generally understood as coming within the meaning of its text.

Mr. Wijkman added that he had been especially interested in the statement issued by the President [38] at the time of the signature of the Resolution. Mr. Wijkman felt that the President's statement was especially encouraging and valuable in connection with the recent

[38] Department of State, *Press Releases*, August 31, 1935, p. 162.

decision of the Scandinavian Powers at the Oslo Conference:[39] i. e., not necessarily to press for sanctions at Geneva, but at least to support vigorously the League in any policy that it might adopt.

CHARLES W. YOST

711.00111 Armament Control/20a

The Secretary of State to the Ambassador in Italy (Long)[40]

No. 562 WASHINGTON, September 13, 1935.

SIR: I enclose, for your information, a copy of S. J. Res. 173, which was approved by the President on August 31, 1935.

This Joint Resolution was based upon (*a*) an informal draft[41] of suggested legislation to modify our neutrality policy which was submitted by the Department to the Senate Committee on Foreign Relations at the request of the Chairman of that Committee, and upon (*b*) a bill to provide for the supervision and control of the manufacture of and international traffic in arms, ammunition and implements of war, which was drafted by the Department and which had the support of the Department.[42] I enclose a copy of H. J. Res. 386[43] which embodied without modification the suggestions referred to under (*a*) above. I enclose also a copy of H. R. 8788[44]—the bill referred to under (*b*) above—and a copy of the report of the hearings on that bill before the House Committee on Foreign Affairs. You will note that the Senate Committee on Foreign Relations in combining these two bills omitted several provisions of importance and introduced fundamental modifications in some of the provisions which were retained.

I enclose a copy of the statement issued to the press from the White House at the time the President signed the Joint Resolution. As Section 1 of the Joint Resolution expires on February 29, 1936, and as certain provisions of Section 2 may not prove to be satisfactory in practice, it appears probable that the subjects dealt with in this Joint Resolution will receive further consideration at the next session of Congress.

Very truly yours, For the Secretary of State:
R. WALTON MOORE

[39] Held at Oslo, Norway, August 25, 1935, by the Foreign Ministers of Denmark, Finland, Norway, and Sweden to consider the situation brought about by the Italo-Ethiopian conflict.

[40] Identic instructions sent on the same date to the Chargé in Ethiopia (No. 16), the Chargé in France (No. 1047), the Chargé in the United Kingdom (No. 968), the Consul at Geneva (unnumbered), and the American delegate to the Disarmament Conference at Geneva (unnumbered).

[41] *Ante*, p. 346.

[42] *Ante*, p. 336.

[43] *Congressional Record*, vol. 79, pt. 12, p. 13597.

[44] *Ibid.*, pt. 11, p. 11607.

711.00111 Armament Control/441a

The Secretary of State to Diplomatic and Consular Officers

Diplomatic Serial No. 2613

WASHINGTON, November 21, 1935.

SIRS: It is deemed advisable to set forth at this time, for information and future guidance and as a supplement to previous instructions, a statement of the policy of this Government in respect to the export of arms, ammunition, and implements of war from the United States, and in respect to the duties of representatives of the Government in foreign countries in relation thereto.

It is not the policy of this Government to encourage the export trade in arms, ammunition, and implements of war. American diplomatic and consular officers should not, therefore, proceed on their own initiative to promote American trade in arms, ammunition, and implements of war and should not endeavor to create trade opportunities for American exporters of such articles. They should, however, in countries to which the exportation of these articles is not prohibited, when requested to do so by American exporters or their agents or by prospective purchasers, follow the same procedure in giving information and advice as they would follow in respect to the trade in any other commodity, except, however, that in order to disassociate the American Government from the promotion of the export trade in arms, ammunition, and implements of war, they should decline to use official channels for the communication of inquiries or offers between prospective purchasers and sellers.

Attention is invited to the list of articles enumerated as arms, ammunition, and implements of war in the Proclamation of the President issued on September 25, 1935,[45] pursuant to Section 2 of the Joint Resolution approved August 31, 1935, as follows:

"*Category I*

(1) Rifles and carbines using ammunition in excess of cal. .265, and their barrels;

(2) Machine guns, automatic rifles, and machine pistols of all calibers, and their barrels;

(3) Guns, howitzers, and mortars of all calibers, their mountings and barrels;

(4) Ammunition for the arms enumerated under (1) and (2) above, i. e., high-power steel-jacketed ammunition in excess of cal. .265; filled and unfilled projectiles and propellants with a web thickness of .015 inch or greater for the projectiles of the arms enumerated under (3), above;

[45] Department of State, *Press Releases*, September 28, 1935, p. 222.

(5) Grenades, bombs, torpedoes, and mines, filled or unfilled, and apparatus for their use or discharge;
(6) Tanks, military armored vehicles, and armored trains.

Category II

Vessels of war of all kinds, including aircraft carriers and submarines.

Category III

(1) Aircraft, assembled or dismantled, both heavier and lighter than air, which are designed, adapted, and intended for aerial combat by the use of machine guns or of artillery or for the carrying and dropping of bombs, or which are equipped with, or which by reason of design or construction are prepared for, any of the appliances referred to in paragraph (2), below.
(2) Aerial gun mounts and frames, bomb racks, torpedo carriers, and bomb or torpedo release mechanisms.

Category IV

Revolvers and automatic pistols of a weight in excess of 1 pound 6 ounces (630 grams), using ammunition in excess of cal. .265, and ammunition therefor.

Category V

(1) Aircraft assembled or dismantled, both heavier and lighter than air, other than those included in category III;
(2) Propellers or air screws, fuselages, hulls, tail units, and under carriage units;
(3) Aircraft engines.

Category VI

(1) Livens projectors and flame throwers;
(2) Mustard gas, lewisite, ethyldichlorarsine, and Methyldichlorarsine."

The list of arms, ammunition, and implements of war enumerated above should not be considered as exhaustive but it will serve as an indication of the nature of the articles to be considered as arms, ammunition, and implements of war for the purposes of this instruction.

It is not desired that publicity be given to this instruction. American diplomatic and consular officers may nevertheless explain to interested persons the policy set forth herein whenever, in their judgment, particular circumstances may make it advisable to do so.

Copies of this instruction have been sent to the Secretaries of War, the Navy, and Commerce, who have been requested to bring it to the attention of officers of their Departments, whose duties may involve the handling of business connected with the sale of arms, ammunition, and implements of war to purchasers in foreign countries.

Very truly yours, For the Secretary of State:
R. WALTON MOORE

811.04418/91a

The Chief of the Office of Arms and Munitions Control (Green) to the Secretary of the Special Committee of the Senate Investigating the Munitions Industry (Rausenbush)

WASHINGTON, December 4, 1935.

DEAR MR. RAUSHENBUSH: In compliance with your suggestion I enclose a text of a suggested amendment to Section 2 of the Neutrality Act.

If, instead of amending the Neutrality Act, it is desired to rewrite it entirely as a new Act, the only changes necessary in the enclosed text would be the following:

1. Omit: "That Section 2 of the Joint Resolution of Congress (S. J. Res. 173) approved August 31, 1935, be and the same is hereby amended to read as follows:"

2. Change the first sentence of paragraph (*a*) to read: "The term 'Board' means the National Munitions Control Board which was established pursuant to Section 2 of the Joint Resolution approved August 31, 1935 (Pub. Res. — No. 67—74th Congress.)"

3. Add to paragraph (*e*): "*Provided, however*, that persons who have registered pursuant to Section 2 of the Joint Resolution of Congress approved August 31, 1935 (Pub. Res. — No. 67—74th Congress), shall not be required, during the period that such registration remains valid, to register under this Act."

Very sincerely yours, JOSEPH C. GREEN

[Enclosure]

Suggested Amendment to Section 2 of the Neutrality Act

[WASHINGTON, December 4, 1935?]

That Section 2 of the Joint Resolution of Congress (S. J. Res. 173) approved August 31, 1935, be and the same is hereby amended to read as follows:

(*a*) The term "Board" means the National Munitions Control Board which is hereby established. The Board shall consist of the Secretary of State, who shall be chairman and executive officer of the Board, the Secretary of the Treasury, the Secretary of War, the Secretary of the Navy, and the Secretary of Commerce. Except as otherwise provided in this Section or by other law, the administration of this Section is vested in the Department of State;

(*b*) The term "United States" when used in a geographical sense includes the several States and Territories, the insular posessions of

the United States (including the Philippine Islands), the Canal Zone, and the District of Columbia;

(*c*) The term "person" includes a partnership, company, association, or corporation, as well as a natural person.

(*d*) The President is hereby authorized to proclaim upon recommendation of the Board from time to time a list of articles which shall be considered arms, ammunition, and implements of war for the purposes of this Section.

(*e*) Every person who engages in the business of manufacturing for export, exporting or importing any of the arms, ammunition, and implements of war referred to in Paragraph (*d*) whether as an exporter, importer, manufacturer, or dealer, shall register with the Secretary of State his name, or style, principal place of business, and places of business in the United States, and a list of the arms, ammunition, and implements of war, which he exports, imports, or manufactures for export.

(*f*) Every person required to register under the provisions of this section shall pay a registration fee of $500 and upon receipt of such fee the Secretary of State shall issue a registration certificate valid for five years, which shall be renewable for further periods of five years upon the payment for each renewal of a fee of $500.

(*g*) Every person required to register under this section shall notify the Secretary of State of any change in the arms, ammunition, and implements of war which he exports, imports, or manufactures for export; and upon such notification the Secretary of State shall issue to such person an amended certificate of registration, free of charge, which shall remain valid until the date of expiration of the original certificate.

(*h*) It shall be unlawful for any person required to register under the provisions of this section to import or export any of the arms, ammunition, or implements of war referred to in Paragraph (*d*) without having registered in accordance with the provisions of this section.

(*i*) It shall be unlawful for any person to export, or attempt to export, from the United States any of the arms, ammunition, or implements of war referred to in Paragraph (*d*) to any other country or to import, or attempt to import, to the United States from any other country any of the arms, ammunition, or implements of war referred to in Paragraph (*d*) without first having obtained a license therefor from the Department of State for each shipment.

(*k*) [*sic*] Export and import licenses shall be issued to persons who have registered as provided for, except in cases of export or import licenses where exportation of arms, ammunition, or implements of war

would be in violation of this Section or any other law of the United States, or of a treaty to which the United States is a party, in which cases such licenses shall not be issued: *Provided, however*, That after the ninetieth day following the effective date of this Act, no export licenses shall be issued unless the government of the country to which such arms are to be exported has indicated to the satisfaction of the Secretary of State that permission for the importation has been accorded: and *Provided, further*, That after the ninetieth day following the effective date of this Act, no licenses shall be issued for the export of appliances and substances exclusively intended for chemical warfare.

(*l*) Any arms, ammunition, or implements of war which have been exported or imported or which it has been attempted to export or import in violation of the provisions of this Section shall be subject to seizure and forfeiture in accordance with the provisions of the Espionage Act of June 15, 1917 (ch. 30, title VI, 40 Stat. 217; 22 U. S. C. A., secs. 238–245).

(*m*) In the case of the forfeiture of any arms, ammunition, or implements of war by reason of a violation of this Section no notice of public sale shall be required; no such arms, ammunition, or implements of war shall be sold at public sale, but they shall be delivered to the Secretary of War and the Secretary of War may order such arms, ammunition, or implements of war destroyed or may retain them for the use of the armed forces of the United States.

(*n*) The Secretary of State shall issue regulations for carrying out the provisions of this Section.

(*o*) The Board shall be called by the chairman and shall hold at least one meeting a year.

(*p*) No purchase of arms, ammunition, and implements of war shall be made on behalf of the United States by any officer, executive department, or independent establishment of the Government from any person who shall have failed to register under the provisions of Paragraph (4) of this Section.

(*q*) Any contract in violation of the provisions of Paragraph (*p*) is hereby declared to be contrary to the public policy of the United States, shall not be enforceable in any court of the United States, and shall not afford any basis for the granting of legal or equitable relief of any such court.

(*r*) No sale of the arms, ammunition, or implements of war referred to in Paragraph (*d*) shall be made on behalf of the United States by any officer, executive department, or independent establishment of the Government to any foreign government on or after November 29, 1936.

The Act of August 39, [*29*] 1916,[46] relating to the sale of ordnance and stores to the Government of Cuba, is hereby abrogated as of November 29, 1936.

(*s*) All persons required to register under this Section shall maintain, *subject to the inspection of the Secretary of State*, such permanent records of manufacture for export, importation, and exportation of arms, ammunition, and implements of war as he shall prescribe.

(*t*) Any person who violates or fails to comply with any of the requirements of this Section or any regulations under this Section shall, on conviction, be fined not more than $10,000 or be imprisoned for not more than five years, or both, in the discretion of the court.

(*u*) The Board shall make an annual report to Congress, copies of which shall be distributed as are other reports transmitted to Congress. Such report shall contain such information and data collection [*collected*] by the Board as may be considered of value in the determination of questions connected with the control of trade in arms, ammunition, and implements of war. It shall include a list of all persons required to register under the provisions of this Section and full information concerning the licenses issued under the provisions of this Section.

(*v*) If any person [*provision*] of this Section, or the application thereof to any person or circumstance, is held invalid, the remainder of the Section and the application of such provision to other persons or circumstances shall not be affected thereby.

(*w*) Such amount as may from time to time be deemed necessary is hereby authorized to be appropriated out of any money in the Treasury not otherwise appropriated to be expended by the Secretary of State in carrying out the duties as aforesaid and in defraying the expenses of the Board in discharging the duties placed upon it by this section.

[46] 39 Stat. 643.

REPRESENTATIONS BY CERTAIN FOREIGN GOVERNMENTS REGARDING THE SENATE COMMITTEE INVESTIGATING THE MUNITIONS INDUSTRY (NYE COMMITTEE)[1]

811.113 Senate Investigation/228

Memorandum by Mr. Joseph C. Green of the Division of Western European Affairs

[WASHINGTON,] March 18, 1935.

At the suggestion of the Secretary, I called Mr. Wiggin, First Secretary of the British Embassy, by telephone on Saturday and asked him to come to see me this morning to discuss the difficulties which have arisen as a result of the effort of the Nye Committee to obtain certain documents from the Guaranty Trust Company of New York, pertaining to the dealings between that Bank and the British Government in 1916.

I told Mr. Wiggin that it was our desire to do everything possible to settle these difficulties in such a way as to avoid any irritation on the part of the British Government, and that I thought that a conversation between us might serve to accomplish this end. I said that I hoped that the delay which the Committee had accorded in serving the *subpoena duces tecum* would be sufficient to permit the Ambassador[2] to communicate with his Government, and ascertain whether there was any objection to the examination of these papers by the Committee. I said that Mr. Raushenbush[3] had told me that the Committee had no definite intention of publishing the documents in question, and that the question of their publication would not arise until they had been examined, and that further the Committee had expressed its intention of dealing with these matters so far as possible purely from the domestic angle, so as to avoid anything which might result in disturbing the cordiality of our relations with friendly governments.

Mr. Wiggin said that the British Ambassador had not telegraphed to request the views of his Government in regard to this matter, and had no intention of doing so until he had received some formal communication from us, asking whether the British Government had any objection to the communication of these documents by the Bank to

[1] For previous correspondence, see *Foreign Relations*, 1934, vol. I, pp. 427 ff.
[2] Sir Ronald C. Lindsay.
[3] Secretary of the Special (Nye) Committee.

the Committee. He said further that the Ambassador felt very strongly that, as a matter of international courtesy, such documents should not be demanded by the Committee until this Government had formally requested the views of the British Government and that he was awaiting a formal communication requesting the views of the British Government.

I said that this was a new idea to me and that I had not thought the matter through, but that offhand, it did not seem to me that this Government was under any obligation, either of law or courtesy, to ask the British Government to state its position in this matter. I pointed out that a Senate Committee, under our system, had quasi-judicial functions and judicial authority to subpoena witnesses and documents. In this respect, it was in the same position as any court in the country which might, in the course of judicial proceedings, subpoena documents relating to dealings between a foreign government and an American company, and that this Government could hardly be held to be obligated either to prevent such action on the part of a court or to request the views of the interested foreign government before permitting the court to proceed. I pointed out further that this Government would have no power to interfere with such proceedings by the court even if it desired to do so. I added that under the British system a similar situation might occur and that if a British court should subpoena documents referring to dealings between the American Government and a British company, the British Government would have no legal power to prevent the court from obtaining the documents and that I strongly doubted whether this Government would feel that the British Government was under any obligation to communicate with us before such action was taken.

Mr. Wiggin replied that he had not thought through the question either, but that offhand he tended to believe that my contentions were sound. He said that in any case the Ambassador hoped that no further correspondence on this subject would be necessary, as he understood that the President was about to summon the Nye Committee and insist that the Committee do not require the Guaranty Trust Company to submit the documents in question.

I replied that the President had in fact expressed his intention of calling in the Nye Committee for a conference but that I did not, of course, know what the President would say to them. I said that the President had, of course, no authority to give orders to the Committee and that I rather thought that the President's chief concern was not with the particular documents in question, but that he would in the course of his conference with the Committee urge that it avoid any public hearings or public statements on matters which would cause unnecessary irritation to friendly governments.

Mr. Wiggin said that he would report our conversation to the Ambassador and that he would telephone me later in the day.

JOSEPH C. GREEN

811.113 Senate Investigation/228

Memorandum by Mr. Joseph C. Green of the Division of Western European Affairs

[WASHINGTON,] March 19, 1935.

The British Ambassador called at my office this morning by appointment. He opened the conversation by asking what had been the result of the President's conference with the Nye Committee. I told him that that conference would not take place until noon today.

The Ambassador told me that Mr. Wiggin had reported to him the substance of our conversation of yesterday. He said that he was somewhat disturbed by the fact that Mr. Wiggin had gathered from the conversation that the Department felt that there was something still undone which he, the Ambassador, might do to assist in settling this difficulty. I replied that what we had in mind was that now that we had persuaded the Nye Committee to postpone the serving of the *subpoena duces tecum* until March 21, he might find it possible to ascertain from his Government whether it had any objection to the communication of the documents in question by the Bank to the Committee. This suggestion obviously did not meet with the Ambassador's approval. He said that he thought that he had already made it clear to the Secretary that he would not telegraph his Foreign Office for instructions in the premises until he was officially requested by this Government to ascertain the attitude of his Government. He said that he felt that there was a matter of international courtesy involved and that he was awaiting an official request from this Government. He added that he had sent a mail despatch to his Foreign Office, explaining the situation, so that if it should later become necessary for him to telegraph for instructions they would understand the situation to which he referred.

I explained to the Ambassador that the Senate Committee was a body with quasi-judicial functions and that in this matter it was acting as any court might act in issuing a *subpoena duces tecum*. I asked him whether if such action had been taken by a Federal court requiring the presentation of papers relating to contracts between the British Government and an American company, he would expect this Government to ask him officially whether he had any objection to the presentation of the papers before the subpoena was served. He replied that he was not discussing a matter of law, but a matter of

courtesy and that it was impossible to define courtesy with such precision. Incidentally he said that the Nye Committee was not in good odor with the British.

I told the Ambassador that I would faithfully report to the Secretary everything that he had said and that in the meantime we might await the result of the President's conference with the Committee, in the hope that that conference might settle the question. The Ambassador concurred and requested me to telephone him as soon as I had any information in regard to the outcome of the conference.

JOSEPH C. GREEN

811.113 Senate Investigation/241

Memorandum by Mr. Joseph C. Green of the Division of Western European Affairs

[WASHINGTON,] March 20, 1935.

In the course of my conversation this morning with Senators Nye and Pope,[4] in regard to the difficulties which have arisen concerning the files of the Guaranty Trust Company, both Senators told me at some length of the conference which the members of the Nye Committee had with the President yesterday. Senator Nye was particularly enthusiastic in regard to the attitude of the President. He told me that all the members of the Committee were present at the conference and that all of them were tremendously pleased to have this opportunity to discuss the work of the Committee with the President, and that they had left the President with the definite impression that he was disposed to cooperate with the Committee.

From the accounts which the Senators gave me of the conference, it would appear that the President in what he said to the Committee departed widely from the suggestions made in the Secretary's memorandum of March 14.[5] They told me that the only questions which were discussed at any length were methods of taking the profit out of war and American neutrality policy in case of a war between other powers. Senator Nye, speaking for the Committee, outlined to the President a scheme for taking profits out of war which had been drawn up for the Committee by Mr. John T. Flynn,[6] and which had met with the general approval of the Committee. The President was stated to have expressed emphatically his approval of the several portions of that scheme. Senator Nye expressed his astonishment at the President's attitude, as he felt that Mr. Flynn's scheme was

[4] James P. Pope of Idaho, member of the Special Committee.
[5] *Ante*, p. 318.
[6] Economic adviser to the Special Committee.

so radical that the approval of the Administration could hardly have been expected. The President added the suggestion that legislation to take the profits out of war should be drawn up to meet, not only the situation which would arise should we become involved in war, but the situation which would arise should other powers become involved in war while we remained neutral.

They said that the President then discussed our neutrality policy at some length, stating that he had come around entirely to the ideas of Mr. Bryan,[7] in regard to that matter, and that he was preparing to propose legislation which would prohibit American ships or American citizens from visiting belligerent countries in time of war. According to the Senators' statements, the President had encouraged the Committee to consider this question of our neutrality policy with a view to the introduction of appropriate legislation. He requested, however, that the Committee give him an opportunity to consult the draft of any legislation dealing with this question before introducing it into the Senate. The Committee readily acceded to the President's request, and it was arranged that another conference between the President and the Committee should be held sometime before April 1st, when the Committee expects to make its preliminary report.

The Senators told me that the question of the control of the international arms traffic was referred to only incidentally during the conference.

The Senators told me also that the President did not refer during the conference to the Committee's proposed investigation of the dealings between former allied governments and American banks during the early years of the World War.

JOSEPH C. GREEN

811.113 Senate Investigation/226

The British Ambassador (Lindsay) to the Secretary of State

WASHINGTON, March 20, 1935.

DEAR MR. SECRETARY: May I refer to a subject already mentioned to you orally last week, namely, the subpoena issued by the Senate Committee investigating the Munitions Industry to the Guaranty Trust Company calling for the production of all correspondence relative to the substitution of collateral deposited under the Pledge agreement with my Government of November 1916.

I cannot refrain from remarking on the difficulty of understanding how an enquiry into the Munitions industry can be forwarded by investigating the substitution of collateral deposited for a loan which

[7] William Jennings Bryan, Secretary of State, March 5, 1913, to June 9, 1915.

was paid off many years ago. Nevertheless, and leaving out of consideration for the moment any question of the rights which under international usage a foreign Government may enjoy, even in judicial or quasi-judicial proceedings of the character now under discussion, I should be prepared, if you so wish it, to telegraph to my Government to obtain for you any information on the subject matter of the subpoena that you may choose to specify. At the same time I feel bound to suggest to you that to proceed with the investigation of this correspondence of my Government without warning or without attempting to obtain its consent can only be characterised as an act of grave discourtesy.

Very sincerely yours, R. C. LINDSAY

811.113 Senate Investigation/226

The Secretary of State to the British Ambassador (Lindsay)

WASHINGTON, March 21, 1935.

MY DEAR MR. AMBASSADOR: I am in receipt of your letter of March 20, 1935, concerning the subpoena issued by the Special Committee of the Senate Investigating the Munitions Industry to the Guaranty Trust Company of New York for the production of papers, in regard to the Pledge Agreement of November, 1916, between your Government and that Company.

I cannot refrain from expressing surprise at the position which you have taken in this matter as expressed in your letter. I do not feel that either international usage or courtesy require this Government to communicate to your Government the intention of any judicial or quasi-judicial body in this country to subpoena from the files of an American company documents which may relate to dealings between your Government and private American citizens. In fact, it would be impossible for me to carry out such an obligation if it were incumbent upon me to do so, as, in the ordinary course of events, I should have no knowledge of an intention to issue such a subpoena until it had been served and unless, as happened in this particular case, the persons on whom it was served brought the matter to my attention. Nor do I feel that either international usage or courtesy require this Government to obtain the consent of your Government prior to the examination of such documents by any judicial or quasi-judicial body within the competence of which such an investigation may fall.

Although I did not feel that I was under any obligation to do so, I did, nevertheless, after our conversations on this subject, approach the Chairman of the Committee informally, and I suggested to the

President that he refer to this matter in his conference with the Committee. My motive in doing so was my desire to do anything in my power which I could properly do to prevent any action by the Committee which might create an embarrassment to your Government. I obtained from the Committee a delay of one week in the serving of the subpoena on the Guaranty Trust Company and I had hoped that you might take advantage of this delay to communicate with your Government and to ascertain whether it had any objection to the publication of the documents in question. In addition to this, I requested information from the Committee as to the purpose for which these documents were required and was informed that the Committee wishes to study them in connection with its investigation of war profits during the World War, with a view to the drafting of legislation dealing with war profits in any future war. The Committee has no present intention of publishing these documents and the Chairman has assured me that, should the Committee at any future time desire to make public any correspondence between your Government and any American company, he will, as a matter of courtesy, inform me so that I may be in a position to ascertain whether your Government would have any objection to their being made public.

I venture the hope that the arrangement I have made with the Chairman of the Committee will remove any cause for complaint which you may have felt that your Government had in connection with this matter.

I am [etc.] CORDELL HULL

811.113 Senate Investigation/233

Memorandum by the Chief of the Division of Western European Affairs (Moffat)[8]

[WASHINGTON,] April 3, 1935.

Mr. Roger Gaucheron, First Secretary of the French Embassy, called this afternoon on Mr. Moffat and Mr. Green with relation to the recent subpoena of the Nye Committee to the Central Hanover Trust Company to produce papers connected with the collateral placed by the French Government in making a loan on April 1, 1917. From the point of view of the French Government, as communicated to him by the Ministry of Foreign Affairs, these papers are State papers and as such are not properly available to the Committee. Mr. Gaucheron explained that in various investigations held in France papers involving foreign governments would not be made available

[8] Addressed to the Secretary of State and Assistant Secretary of State R. Walton Moore.

I inquired whether Mr. Gaucheron was merely reserving a question of principle or whether he was actually entering a formal objection. He replied that for the moment at least he would content himself with the former but that when his Ambassador returned to Washington in the course of the next day or two he would take up the matter and if Mr. de Laboulaye wished to go further he would communicate with you in writing. Mr. Moffat and Mr. Green explained the arrangement that the State Department had made with the Nye Committee whereby the latter before publishing any of the documents would communicate with us further. Mr. Gaucheron indicated that in his Government's view the communication of the documents and their publication were inseparably intertwined. The conversation ended with an indication on the part of Mr. Moffat and Mr. Green that the Committee intended to do all in its power to avoid any embarrassment to foreign countries.

PIERREPONT MOFFAT

811.113 Senate Investigation/232

Memorandum by the Secretary of State

[WASHINGTON,] April 4, 1935.

The British Ambassador called and brought up the question of the threatened action of the Nye Munitions Investigating Committee, and expressed serious concern about the possible publicity by that Committee of more or less confidential data and records involving the British Government, which records were supposedly on file with J. P. Morgan and Company and certain other banks.

I replied that I had thus far said and done everything within my power to prevent any offensive or undesirable publication, such as the Ambassador was referring to; that I had requested the President to make representations to the Nye Committee against such publicity; that I had also conferred with leaders in the Senate from every standpoint that might be calculated to advance this same idea,—that this, however, was very confidential; and that, in addition, the Nye Committee had solemnly agreed to make nothing of these bank records public without first letting the State Department know their contents with a chance to state its views as to whether publicity should or should not be given. The Ambassador said he would like to keep in touch with the Department with respect to the matter, as it was giving his Government concern. He did add that there might or might not be objection to publicity when the full facts were known.

C[ORDELL] H[ULL]

836401—53——30

811.113 Senate Investigation/249

The British Ambassador (Lindsay) to the Secretary of State

WASHINGTON, April 8, 1935.

DEAR MR. SECRETARY: In obedience to instructions which I have received from my Government I beg to refer to discussions which have proceeded recently between us in regard to the investigations, now in course or alleged to be imminent, by the Senate Committee on the Munitions Industry, into correspondence which passed during the War between my Government or its agents and various New York Firms, viz. the Bankers Trust Company, the City Bank Farmers Trust Company, the Guaranty Trust company, and J. P. Morgan and Company.

I do not feel competent to discuss the aspects of this question which are governed by domestic American law. These I understand have been fully submitted to you and I venture to call your earnest attention to them, confining myself at present to reserving and claiming on behalf of my Government whatever rights may accrue to it in this matter whether under the domestic law of the United States or under international law.

On more general grounds however I am instructed by my Government to protest against the proposed investigation of the Morgan correspondence which, to the best of my knowledge, has not yet been ordered. I am to point out to you how undesirable it would be on grounds of international comity that a Legislative Committee should conduct such an enquiry into transactions effected long ago by a friendly Government through its financial agents in the United States. It is true that the business transacted was a matter of public knowledge at the time, and that if enquiry were to take place there is nothing which my Government would wish to hide; but Sir John Simon [9] feels justified in insisting that in view of the present delicacy of the international situation the gratuitous revival of controversies long since obsolete would be more than inopportune. It is therefore my duty to deprecate strongly the suggested investigation, and I beg to express the hope that you will agree with the view of my Government and use your good offices in whatever manner you may think suitable to forestall the enquiry.

Very sincerely yours, R. C. LINDSAY

[9] British Secretary of State for Foreign Affairs.

811.113 Senate Investigation/250

The French Ambassador (Laboulaye) to the Secretary of State

WASHINGTON, April 9, 1935.

DEAR MR. SECRETARY: I was informed recently that the Senatorial Committee of Inquiry into the Munitions Industry (Senate Munitions Committee) had requested the Central Hanover Bank & Trust Company of New York (formerly Central Trust Company) to give it communication of records concerning the loan made on the 1st of April, 1917, by the French Government and which are at the present time in the archives of that bank acting as trustee. I then instructed a member of this Embassy to call at the Division of Western Europe of the State Department in order to formulate verbal reservations of principle concerning the communication to a parliamentary committee of documents relative to a financial business transacted in the United States by a foreign Government, documents which are only a deposit in the care of the Central Hanover Bank & Trust Company.

Having apprised my Government of the preceding steps, I have received instructions to the effect of confirming the reservations made, and such is the purpose of this letter.

I also wish to state that I have been advised that the above mentioned Inquiry Committee of the Senate might request the Bank of J. P. Morgan & Company in New York, to give communication of the correspondence that institution had with the French Government concerning loans and transactions that took place during the War.

It is the opinion of my Government that, on the ground of international relations, it would seem undesirable that a Committee of the Senate should investigate transactions which took place long ago and during the War, between a friendly Government and its financial agents in the United States. Even though the business referred to was, at the time, a matter of public knowledge and there was nothing in such transaction that my Government would hide, the latter has instructed me to protest against the proposed investigation. The opinion might be advanced that the books, records and papers deposited with J. P. Morgan & Company are the property of the French Government and as such are entitled to immunity from search and seizure. On the other hand, the French Minister of Foreign Affairs feels that it would be most inopportune, at a time when the international situation is so delicate, to allow public controversies such as might result from the publication of the above mentioned documents.

I hope, therefore, that you will be kind enough to take into consideration my Government's point of view and that you will be in a position to use your good offices in the best way possible to avoid the proposed inquiry.

With highest regards [etc.] ANDRÉ DE LABOULAYE

811.113 Senate Investigation/237

Memorandum by the Under Secretary of State (Phillips)

[WASHINGTON,] April 10, 1935.

The French Ambassador handed me the accompanying informal letter [10] to the Secretary containing the protest of his Government against the proposed investigation by the Nye Committee of the records concerning loans to France during the war, which are now in the archives of the Central Hanover Bank and Trust Company of New York. The Ambassador told me that his Government had been in touch with the British Government on this subject and that both governments felt alike; for obvious reasons the Ambassador said he had not mentioned this fact in his letter to the Secretary.

The Ambassador made a strong appeal that steps could be taken, especially at a time when the European situation was so involved, to prevent public controversies and discussions which might result from the publication of the documents in question; his Government, he added, was not in any way concerned with regard to the propriety of the transactions themselves, but was deeply concerned with respect to the construction which the public might place upon them at this time.

I told the Ambassador that the Secretary had received assurances from the Nye Committee that there would be no publicity involved in the matter. Mr. de Laboulaye replied that the moment the documents came into the possession of the Committee, he had no doubt that the press would somehow or other manage to get hold of them or their substance.

The Ambassador said that he would call upon the Secretary tomorrow morning and would discuss the matter personally with him.

WILLIAM PHILLIPS

811.113 Senate Investigation/247

Memorandum by the Under Secretary of State (Phillips)

[WASHINGTON,] April 13, 1935.

I informed Mr. Coolidge, Under Secretary of the Treasury, of the result of the conference at the White House this morning between the President and the Secretary of State on the one hand and Senators Nye, Pope and Clark on the other hand. I said that the President and the Secretary had presented the argument as strongly as possible in an effort to dissuade the Nye Committee from its desire to examine

[10] *Supra.*

certain correspondence between the Allied countries and certain banks in this country during the war, which is now among the records of these banks. I said that the Secretary had urged that the investigation of these documents at least be deferred if the Committee could not see its way to alter its view with regard to their examination; that Senator Nye, however, maintained his former position and had advised the Secretary that he could assure the British and French Ambassadors that the documents would be held in confidence and that there would be no publicity in regard to them until at least the Department had had an opportunity to take up the matter with the British and French Governments.

Mr. Coolidge said that he had hoped for more favorable results from this meeting, but, in the circumstances, he supposed there was nothing to do, but to comply with the request of the Nye Committee for the documents held by the Federal Reserve Bank. I replied that this seemed to be the only course for him to pursue, but that, in releasing them, I suggested that he refer to his understanding that they were sent forward in the strictest confidence and would not be made public without an opportunity for his Department to consider the question further. Mr. Coolidge said that he would take this course.

WILLIAM PHILLIPS

811.04418/46

Memorandum by Mr. Joseph C. Green of the Division of Western European Affairs

[WASHINGTON,] April 16, 1935.

Count de Leusse [11] called at my office this morning. He told me that Monsieur Jules Henry, Counselor of his Embassy, who has recently returned from Paris, was asked by Massigli [12] before he left to report fully on the various proposals which have been discussed for modifying the neutrality policy of the United States and the projects of legislation for taking the profits out of war.

I explained to Count de Leusse that the determination on the part of the American people to keep out of any future European war had grown in intensity with the failure of the former allied powers to continue payments on their debts to the United States and with the apparently growing tension of the international situation in Europe. I said that this public opinion had been reflected in Congress in a number of bills designed to keep us out of a possible European war by mod-

[11] Third Secretary of the French Embassy.

[12] René Massigli, Assistant Director of Political and Commercial Affairs in the French Ministry for Foreign Affairs.

ifying our neutrality policy and by destroying any prospect of private profit should we become involved.

On the subject of neutrality, I invited his attention to the article by Mr. Charles Warren which appeared in *Foreign Affairs* last year [13] and the subsequent increased discussion of the subject. I told him that the Department, at the request of the President, had been studying our neutrality policy, with a view to possible modifications, but that the Department had as yet not recommended any specific legislation and that the President, so far as I knew, had made no decision in the matter. I assured him that the bills recently introduced in the House by Messrs. Maverick [14] and Kloeb [15] and in the Senate by Senators Nye and Clark were not to be considered as Administration measures.

I described briefly the nature of the McSwain bill [16] to take profits out of war, which was recently passed by the House, and the Flynn bill [17] which has received the approval of the Nye Committee. I explained to him the present status of those bills.

JOSEPH C. GREEN

811.113 Senate Investigation/249

The Secretary of State to the British Ambassador (Lindsay)

WASHINGTON, April 19, 1935.

MY DEAR MR. AMBASSADOR: I acknowledge the receipt of your note of April 8, 1935, in which, acting under instructions from your Government, you refer to our recent conversations in regard to the intention of the Special Committee of the Senate Investigating the Munitions Industry to examine correspondence which passed between your Government and certain New York banks during the World War. Upon receipt of your note, I arranged for a conference with the Chairman and some of the members of the committee.

I had already discussed this matter with them but in this conference I took occasion to present once more, and in the strongest terms, the point of view of your Government in regard to this matter, stressing its hope that the Committee do not proceed with its intended examination of the papers in question, or at least defer such examination until the lessening of the tension in the international situation in Europe might decrease the likelihood of unintended and unfortunate repercussions.

[13] "Troubles of a Neutral," *Foreign Affairs*, vol. 12, April 1934, p. 337.
[14] H. J. Res. 239, *Congressional Record*, vol. 79, pt. 5, p. 5203.
[15] H. R. 7125, *ibid.*, p. 4719.
[16] H. R. 5529, *ibid.*, p. 5325.
[17] Prepared by John T. Flynn, economic adviser of the Nye Committee.

The members of the Committee, with whom I discussed this matter, felt that the examination of this correspondence was necessary in order to enable the Committee to prepare legislation which it intends to submit to the Senate in the near future. They have no doubt as to the legal right of the Committee to proceed with its intended examination. They were anxious to avoid any action which might result in embarrassment to friendly governments, but they felt that the arrangement which they had already made with me, and which I have already communicated to you, was sufficient to obviate any possibility that the examination of this correspondence might have the unfortunate results which you anticipate. The Chairman of the Committee reiterated his assurance that none of this correspondence would be made public in any manner until I had been given an opportunity to consult with you, and to ascertain the attitude of your Government toward the publication of any documents which the Committee might possibly desire to include in its report.

I realize that the arrangement which I have been able to make with the Committee does not entirely meet the desires of your Government, but I hope that it will at least serve as a practical means of obviating the embarrassments which it was felt might result from the investigation which the Committee is undertaking.

I am [etc.] CORDELL HULL

STATUS OF INTERGOVERNMENTAL DEBTS OWED THE UNITED STATES BY REASON OF THE FIRST WORLD WAR [1]

[For exchanges of correspondence in connection with amounts due the United States under arrangements effected by the World War Foreign Debt Commission, see Department of State, *Press Releases*, as follows:

Belgium: June 22, 1935, p. 467; December 21, 1935, p. 547.
Czechoslovakia: June 15, 1935, p. 446; December 21, 1935, p. 541.
Estonia: June 15, 1935, p. 452.
Finland: June 15, 1935, p. 449; December 7, 1935, p. 502.
France: June 15, 1935, p. 453; December 21, 1935, p. 543.
Hungary: June 15, 1935, p. 459; December 21, 1935, p. 548.
Italy: June 15, 1935, p. 448; December 21, 1935, p. 550.
Latvia: June 15, 1935, p. 455; December 21, 1935, p. 551.
Lithuania: June 15, 1935, p. 457; December 14, 1935, p. 525.
Poland: June 15, 1935, p. 460; December 15, 1935, p. 545.
Rumania: June 15, 1935, p. 450; December 21, 1935, p. 553.
United Kingdom (Great Britain): June 8, 1935, p. 428; December 14, 1935, p. 523.

The foregoing Department of State press releases, omitting the statements of amounts due, are reprinted in the *Annual Report of the Secretary of the Treasury* . . . 1935 (Washington, Government Printing Office, 1936), page 269, and *ibid.*, 1936, page 228; see also *ibid.*, pages 58 and 77, respectively, "Obligations of foreign governments".]

800.51W89 Belgium/255

The Secretary of State to the Chairman of the Senate Committee on Finance (Harrison)

WASHINGTON, January 15, 1935.

MY DEAR SENATOR HARRISON: The Bill S. 142, "To permit radium to be accepted in payment of war debts due from Belgium, and to provide for the distribution of such radium", transmitted with your office memorandum of January 7, 1935,[2] has been considered with interest.

I do not desire to comment on the purpose of the Bill in so far as concerns the question of the desirability of the United States Govern-

[1] For previous correspondence, see *Foreign Relations*, 1934, vol. I, pp. 543 ff.
[2] Not printed.

ment acquiring radium and donating it to hospitals, medical clinics and medical research organizations in the United States.

The method by which the Bill proposes to effect this purpose is by authorizing the President to accept radium not exceeding $10,000,000 in value should it be tendered by or on behalf of the Belgian Government in payment of the national indebtedness of Belgium to the United States arising out of the World War and to credit the value of the radium so accepted to such indebtedness.

Belgium has not made payments due December 15, 1932, June 15 and December 15, 1933, and June 15 and December 15, 1934, on its indebtedness to the United States, and I have no information that the Belgian Government would be prepared to tender radium in payment of any part thereof. In a communication to the Department of State, dated December 6, 1932,[3] the Belgian Embassy stated that the Belgian Government was convinced that a careful examination of the situation would show that the depression has brought it face to face with serious difficulties and that Belgium would be exposed to grave danger if she were asked to resume payments. In a communication dated December 13, 1934,[4] the Embassy stated that the Belgian Government regrets that the reasons which prevented it from resuming on December 15, 1932, the payments suspended by the Hoover Moratorium,[5] and which had been brought to the attention of the United States Government in previous correspondence, still exist in their entirety.

In the circumstances, I do not wish to make any recommendation for or against the enactment of legislation authorizing the President to accept radium to a value not exceeding $10,000,000 if, as and when the Belgian Government may be prepared to tender it on account of its indebtedness to the Government of United States.

Sincerely yours, CORDELL HULL

800.51W89/950½

Memorandum by the Special Assistant to the Secretary of State (Hewes)

[WASHINGTON,] March 22, 1935.

I saw the President this morning by appointment on his initiative. The visit was purely personal but in the course of the conversation the talk turned toward war debts and stabilization.

He said that settlement of the war debts was out of the question until the European countries had straightened themselves out or there

[3] *Foreign Relations*, 1932, vol. I, p. 701.
[4] Department of State, *Press Releases*, December 15, 1934, p. 357.
[5] See *Foreign Relations*, 1932, vol. I, pp. 584 ff.

was a war. I then asked him whether or not something could be done with the debts in connection with stabilization, etc. He seemed to think that stabilization internationally was out of the question under the present conditions of the respective foreign countries, the reason presumably being that they were trying to maintain unsound economic situations which would not support a stabilization undertaking. He then went on to say that he had what he described as a "perfectly wild" idea on the subject which he would like to have me explore. In substance it was that the countries of the world were capable of being grouped into more or less logical and self-contained economic units. Each unit ought to be capable of furnishing its own supply, roughly speaking, of raw materials and manufactured goods for mutual trade within the unit and also with other units. Each unit would have the same type of currency so that within the unit there would be no question of foreign exchange. Also within each unit there would be little or no interference with trade by tariffs, etc. After these units had been worked out, then it might be possible to effect an international stabilization between the several units. To make this possible, United States would sell the requisite amount of gold and take payment in the foreign currency, to be in turn converted into dollars over a period of time.

In order to assure permanency of a particular currency, the stabilization agreement would provide that at least a 30% gold or metallic cover would be maintained and if any country departed from this minimum cover the other units would refuse to trade with it. As illustrating his idea of units, he thought that the British Empire might be one; that Belgium, France and Spain with its colonies might be another; that Germany, Holland, etc. might possibly be another. He did not, however, have any definite ideas as to the composition of the units other than the British and the Belgian, French and Spanish. There would, of course, be a natural unit in the Far East. Arrangements would have to be made by oil producing countries to share some of their oil with units which did not contain any.

I then suggested that such a plan would seem to require a very material rearrangement of the internal economy of particular countries. He said this was true and they ought to do it anyway. He cited as an illustration, for example, the uneconomic production of beet sugar in this country.

In any event he asked me to explore the proposition in the Department and see how it looked on paper.

T[HOMAS] H[EWES]

800.51W89 Belgium/260

The Chairman of the House Subcommittee on Hospitalization (Patman) to the Secretary of State

WASHINGTON, May 16, 1935.

MY DEAR MR. SECRETARY: The hospitals in the United States are very much in need of radium that can be secured from Belgium. This radium is needed by people suffering from cancer, most of whom have spent all or at least a large part of their funds trying to get relief before they reach a large medical center equipped for cancer work. 95% of these cancer sufferers are charity patients.

I wonder if it is possible for our Government to obtain radium from Belgium as a payment on war debts owed by Belgium to the United States. If you can consistently do so, I hope you will ascertain the possibility of acquiring radium as herein indicated.

With kindest regards [etc.] WRIGHT PATMAN

800.51W89 Belgium/260

The Secretary of State to the Chairman of the House Subcommittee on Hospitalization (Patman)

WASHINGTON, May 23, 1935.

MY DEAR MR. PATMAN: I have your letter of May 16, 1935, suggesting the possibility of obtaining radium from Belgium as a payment on the war debts owed by Belgium to the United States.

Belgium has not made payments due December 15, 1932, June 15 and December 15, 1933, and June 15 and December 15, 1934, on its indebtedness to the United States. In a communication to the Department of State, dated December 6, 1932,[6] the Belgian Embassy stated that the Belgian Government was convinced that a careful examination of the situation would show that the depression has brought it face to face with serious difficulties and that Belgium would be exposed to grave danger if she were asked to resume payments. In November, 1934, the Department wrote the Belgian Embassy[7] that this Government was fully disposed to discuss, through diplomatic channels, any proposals the Belgian Government may desire to put forward in regard to the payment of this indebtedness, and that such proposals would receive careful consideration with a view to eventual submission to the American Congress. In a reply dated December 13, 1934,[8] the

[6] *Foreign Relations*, 1932, vol. I, p. 704.
[7] Note dated November 22, 1934, Department of State, *Press Releases*, December 15, 1934, p. 358.
[8] *Ibid.*, p. 357.

Embassy stated that the Belgian Government regretted that the reasons which prevented it from resuming on December 15, 1932, the payments suspended by the Hoover Moratorium, and which had been brought to the attention of the United States Government in previous correspondence, still existed in their entirety.

As has been indicated to the Belgian Government and to other governments in arrears in payment on their indebtedness to the United States, this Government is prepared to discuss any proposals which debtor governments may make as to the payment of their obligations. The present obligation of the debtor governments is to make certain scheduled payments in currency in the United States. Should the Belgian Government express an interest in facilitating payments by the delivery of a commodity like radium, instead of cash payment, such a suggestion would come directly within the spirit of the announced willingness of this Government to consider any practicable and reasonable proposals regarding payment. So far as I am informed, delivery of radium would require the appropriation by the Belgian Government of moneys to purchase the radium so that for the present the matter would appear to be covered by the general negative reply of the Belgian Government of December 13, 1934.

This Government from time to time formally recalls to the debtor governments the payments maturing on their debt and the arrears thereon. A communication of this kind will shortly be addressed to the Belgian Government. In case the reply of the Belgian Government indicates any favorable change in the Belgian position, an opportunity might be opened for discussion of mutually advantageous methods of payment.

Sincerely yours, CORDELL HULL

800.51W89/953a

The Secretary of State to President Roosevelt

WASHINGTON, May 29, 1935.

MY DEAR MR. PRESIDENT: The Department is again about to despatch the semi-annual debt notices to the various governments. In the previous notice despatched last December, there was added, with your approval, to the bare statement of indebtedness the following final paragraph:

"I wish to take this occasion to assure you that this Government is fully disposed to discuss, through diplomatic channels, any proposals your Government may desire to put forward in regard to the payment of this indebtedness, and to assure you that such proposals would receive careful consideration with a view to eventual submission to the American Congress."

The replies received were, with one unimportant exception, evasive. Nevertheless, I believe it will serve to give strength to the reminder if we again bring home to the debtor governments that some action is expected of them and indicate our willingness to receive proposals. Therefore, if you approve, I plan to include in the debt notices a final paragraph slightly varied in form from the one cited above in order to be made somewhat more direct, to wit:

"I wish, in presenting this notice of amounts due under the Agreements signed by the British Government, to reiterate the fact that this Government is fully disposed to discuss, through diplomatic channels, any proposals which your Government may desire to put forward in regard to the payment of this indebtedness, and to assure you that such proposals would receive careful consideration with a view to eventual submission to the American Congress."

I do not anticipate any different response from that received in December. However, it might be useful to suggest also to certain of the debtor governments that as a sign of their recognition of this debt, and because of its effect on public opinion, they might be willing to consider special payments in the form of provision of certain strategic raw materials, entirely out of the channels of ordinary commerce, to be kept as emergency stocks by this Government, as for example, tin and nickel. The government which would be in the easiest position to furnish such material is the British Government, and I therefore intend to propose verbally to the British Ambassador in presenting him with this debt notice that his Government take under consideration the possibility of making a special limited offer on this point—the place of such payment in the whole ultimate debt settlement to be left open for discussion. I likewise intend to make the same proposal to the Belgian Ambassador in the matter of radium.

Would you kindly advise me as to whether such action meets your approval?

Faithfully yours, CORDELL HULL

800.51W89/954

Memorandum by the Economic Adviser (Feis) to the Secretary of State

WASHINGTON, May 31, 1935.

The President has given his approval to the form of the June 15 debt notes and to the further suggestion that the idea of payments in kind and special materials might be broached to the British and Belgian Ambassadors. All the debt notices have been sent to CR [9] for

[9] Division of Coordination and Review.

despatch in the regular way. You may wish to ask the Ambassadors to come in to talk with you early next week.

H[ERBERT] F[EIS]

800.51W89 Belgium/264

Memorandum by the Economic Adviser (Feis)

[WASHINGTON,] June 5, 1935.

By instruction of the Secretary, I put before the Belgian Ambassador this morning the suggestion that his Government consider making some payment to this Government on debt account in the form of delivery of radium to be used in American hospitals and similar institutions for humanitarian purposes. I explained the thought underlying this proposal in substantially the same terms as was explained to the British Ambassador. In response to his question as to whether similar suggestions were being put before other governments, I informed him for the confidential information of his Government that a proposal of similar import had been transmitted to the British Government. I explained that in selecting these two governments in this first approach on the subject we had been guided by the fact that the materials in question seemed most clearly desirable and the operation most feasible, and that no other strategic idea had presented itself. He said he would convey the suggestion to his Government promptly, and was sure that it would receive the most thoughtful consideration.

H[ERBERT] F[EIS]

800.51W89 Great Britain/6461

Memorandum by the Secretary of State

[WASHINGTON,] June 6, 1935.

The British Ambassador came in and stated that he had been studying considerably about the request, or suggestion, or inquiry which Dr. Feis, speaking for me, sought to make of the British Government through the Ambassador, relative to the idea of the British Government procuring and delivering to the United States Government a given quantity of tin to be stored by the War and Navy Departments of this country for future emergency purposes, the value of the tin to be credited on the account of the indebtedness of the British Government to the Government of the United States. The Ambassador stated that the bare suggestion was made by Dr. Feis without any details as to how, or when, or in what amounts the transaction should be carried forward, whether we had had this matter up through our

Ambassador at London, or whether we knew anything about the present state of British sentiment towards a proposal of this kind; that these phases had occurred to the Ambassador as being of importance for him to know something about, as he was writing up his communication to be sent by pouch possibly today to the London Foreign Office.

I replied that I would be frank to say that persons in this country interested in high tariffs on certain commodities such as manganese, quick silver, nickel, tin, and a few other commodities not produced to any large extent in this country, were in the habit of predicating their demands upon the necessity of laying up supplies for emergency or war purposes, and that the Army and Navy especially should lay up such supplies; that in this connection a recent committee investigation in the House of Representatives had been conducted with respect to tin; that in the course of the discussions some five or six other commodities such as those I had mentioned were included in the list with respect to which it might be deemed good policy for the Army and Navy to store up supplies. I stated that at this stage the idea of bringing the matter to the attention of the British Ambassador and, through him, of his Government came into the mind of myself and Dr. Feis, and that with the naked approval of the President, Dr. Feis laid the matter before the British Ambassador some days ago. I then added that we had not had the matter up with anybody in London; that it was being treated as entirely confidential here; and that the matter was presented in an entirely oral manner by Dr. Feis.

The Ambassador still expressed considerable concern about the probability of the proposal being acceptable to his Government. He stated that, apart from the thinking people, the masses would not be favorable,—that the latter in fact considered the entire debt matter as behind their Government and ours; and that the British spokesman in Parliament would have serious difficulty in defending the necessary appropriation to pay for the tin in the present state of mind and present circumstances, notwithstanding the idea that sooner or later there would be worked out a final solution of this debt matter by the two Governments. He said it would be most unfortunate for the fact to become public that a request by this Government had been made to the British Government to pay something in kind on the debt due from the latter to the former and that that request had been turned down by the British Government.

I replied that this Government knowing the chief supply of tin in the world, or in Siam, was under the control of British capital and that some little payment in kind, such as proposed, would be a revival of and in harmony with the spirit behind the token payments which the British Government had been cheerfully making until the unfor-

tunate effects of the Hiram Johnson Act[10] were created, felt that in these circumstances this move would have a pleasing effect on the people of the United States in their state of mind towards the British Government.

The Ambassador did not especially endorse this view, although he did not at once take issue with it. He seemed considerably concerned about how the proposal would be received in London and continued to repeat his fears and even his belief that it would not be received favorably by the British Foreign Office. I finally inquired whether the Ambassador had any other or modified suggestions to offer. He did not undertake to offer any, and finally departed still in a disturbed state of mind.

.

CORDELL HULL

800.51W89 Great Britain/647½

Memorandum by the Secretary of State

WASHINGTON, August 5, 1935.

The British Ambassador called and made oral reply to my inquiry of several weeks ago as to whether the British Government would be disposed to make certain payments in kind on its indebtedness due to this Government. I had made reference to tin in particular. The Ambassador said that his Government was obliged to reply adversely to the suggestion; that his Government could not undertake piecemeal payments unless and until the true amount of the total indebtedness should be further considered and finally agreed upon by the two governments; that it would disrupt the markets for his Government to undertake to make the necessary purchases to be delivered in kind to this Government—that none of it (referring to tin) was produced within the British Empire; and that the exchange situation also would interfere. The Ambassador expressed the hope that in due time further and final consideration as stated would be given by the two Governments with a view to determining just what amount this Government would be willing to accept and the British Government willing to pay in full settlement.

C[ORDELL] H[ULL]

[10] 48 Stat. 574.

REJECTION BY THE SENATE OF THE RESOLUTION FOR ADHERENCE BY THE UNITED STATES TO THE STATUTE OF THE PERMANENT COURT OF INTERNATIONAL JUSTICE [1]

500.C114/1578

Memorandum by Mr. John S. Dickey, Assistant to the Assistant Secretary of State (Sayre)

WASHINGTON, January 3, 1935.

Yesterday Mr. Sayre, accompanied by Mr. Dickey, discussed with Senator Pittman [2] at his office the matter of action at this session of the Senate on the three World Court protocols.[3] Mr. Sayre stated that the President was prepared to urge clean-cut adherence to the three protocols, which were now before the Senate, and that he had been requested by the President to go over the matter with Senator Pittman. Mr. Sayre stated that the President was anxious if possible to have the resolution of adherence passed without any of the restrictive provisions which were attached to the resolution recommended in the Walsh-Fess report of June 1, 1932.[4]

[1] For previous correspondence, see *Foreign Relations*, 1929, vol. I, pp. 1 ff. Also see *Congressional Record*, vol. 79, pt. 1, pp. 416–1147, *passim;* and Senate Report No. 758, June 1, 1932, 72d Cong., 1st sess.

[2] Senator Key Pittman of Nevada, Chairman of the Senate Foreign Relations Committee.

[3] Submitted to the Senate on December 10, 1930; see *Congressional Record*, vol. 74, pt. 1, p. 504. The protocol texts are printed in *Foreign Relations*, 1920, vol. I, p. 17, and *ibid.*, 1929, vol. I, pp. 44 and 53.

[4] Senate Report No. 758, 72d Cong., 1st sess. The text of the resolution, p. 1, reads:

Resolved (two-thirds of the Senators present concurring), That the Senate advise and consent to the adherence by the United States to the said three protocols, the one of date December 16, 1920, and the other two each of date September 14, 1929 (without accepting or agreeing to the optional clause for compulsory jurisdiction), with the clear understanding of the United States that the Permanent Court of International Justice shall not, without the consent of the United States, entertain any request for an advisory opinion touching any dispute or question in which the United States has or claims an interest.

The signature of the United States to the said protocol shall not be affixed until the powers signatory to such protocol shall have indicated, through an exchange of notes, their acceptance of the foregoing reservations and understandings as a part and a condition of adherence by the United States to the said protocol.

Resolved further, as a part of this act of ratification, that the United States approve the protocol and statute hereinabove mentioned, with the understanding that recourse to the Permanent Court of International Justice for the settlement of differences between the United States and any other State or States can be

(Footnote continued on next page)

Senator Pittman, in considering the first of these provisions, the so-called "Reed Amendment", indicated that it was his belief that the Committee on Foreign Relations would insist on retaining such a stipulation. He thought this was so inasmuch as very few of the Senators agreed with Mr. Root's [5] and Secretary Stimson's [6] interpretation of the fifth reservation as accepted in the Protocol of Accession.[7] Senator Pittman stated further that he recognized that such a provision would have no legal effect unless it were referred back for the approval of the other signatory States and that for this reason he had supported the so-called Moses Reservation.[8] Mr. Sayre stated that the Reed Amendment in itself was less objectionable than any of the others and that he did not believe an issue should be made on it but that if it were retained, its wording ought to be slightly altered so as to substitute the phrase "over an objection by the United States" for the present words, "without the consent of the United States". Senator Pittman said he would have no objection to seeing such a change made in the phraseology of this provision.

With regard to the so-called Moses Reservation, Senator Pittman said he could offer no opinion as to the position of the present Committee on Foreign Relations. He personally felt that it was desirable, and he thought that it would weaken possibility of securing favorable action in the Senate if this reservation or any of the others were eliminated. He recognized that there were two sides to the question of what the fifth reservation meant, and in reply to Mr. Sayre's question whether he did not believe that the interests of the United States were better protected under any interpretation by our going in rather than staying out, he replied, "That depends on how much you want the Court". He said that personally he was "bitterly opposed to advisory opinions" and that he felt strongly and firmly about the need for preserving our position in this matter. He said that he was committed in writing and in debate to this position and that he could not now alter it. He therefore suggested that Mr. Sayre say to the President that in view of this he felt that he ought not to assume the leadership in

had only by agreement thereto through general or special treaties concluded between the parties in dispute; and

Resolved further, That adherence to the said protocol and statute hereby approved shall not be so construed as to require the United States to depart from its traditional policy of not intruding upon, interfering with, or entangling itself in the political questions of policy or internal administration of any foreign State; nor shall adherence to the said protocol and statute be construed to imply a relinquishment by the United States of its traditional attitude toward purely American questions.

[5] See message from Elihu Root, transmitted in telegram of March 4, 1929, 3 p.m., from the Consul at Geneva, *Foreign Relations*, 1929, vol. I, p. 4.

[6] See letter from the Secretary of State to President Hoover, November 18, 1929, *ibid.*, p. 31.

[7] *Ibid.*, p. 53.

[8] Second paragraph, resolution of adherence, footnote 4, p. 382.

this matter, either in the Committee or on the floor of the Senate, and that he thought it would be better, both for the measure and for himself, if the President could secure another Senator who was more in accord with the Administration's view of the matter to handle it. He suggested Senator Robinson.[9] Senator Pittman said that he would be glad to write the President in the above sense and that in the meantime it would not embarrass him in the least if Mr. Sayre would like to approach Senator Robinson with regard to his views on the Court.

In reply to a question from Mr. Sayre, Senator Pittman stated that he might have to vote against any attempt to eliminate either the Reed Amendment or the Moses Reservation but that otherwise he was for the Court and would be "a friendly neutral"; and, of course, he was willing "within reason to do anything for the President". It was the Senator's opinion that there would be a bitter fight on the floor of the Senate, and while he had no doubt that there were enough votes in Committee to report the measure, he was not certain whether it could be brought to a vote on the floor as there were at least four strong Senators who were prepared to filibuster; he named Senators Borah, Johnson, Shipstead and LaFollette. He said further that it was his opinion that these Senators would have a good opportunity to pick up other recruits if the proponents were split on the question of eliminating the reservations and understandings included in the Walsh-Fess report.

Senator Pittman agreed with Mr. Sayre that it was undesirable to have further hearings on the matter and he said that he would vote against any further hearings. The first regular meeting of the Committee on Foreign Relations is scheduled to be held Wednesday, January 9, and the Senator thought that the Court would come up for disposition at that time.

J[OHN] S. D[ICKEY]

500.C114/1573a

The Assistant Secretary of State (Sayre) to President Roosevelt

WASHINGTON, January 9, 1935.

MY DEAR MR. PRESIDENT: Senator Robinson asked me to tell you of the action of the Senate Committee on Foreign Relations this morning with regard to the World Court. Senator Robinson introduced the resolution which I had previously agreed to with him embodying the so-called Reed Amendment but without the objectional Moses reservation and without the two objectionable understandings concerning "special treaties" and concerning the Monroe Doctrine. This resolu-

[9] Senator Joe T. Robinson of Arkansas.

tion was carried just as introduced and Senator Robinson was authorized to report it out as thus carried. I enclose a copy of the resolution.[10]

The Reed Amendment is merely a restatement of the Senate Fifth Reservation and of Mr. Root's understanding. I do not feel that its inclusion is in any way injurious and I am confident that its inclusion will remove the ground for much hostility and opposition.

Senator Robinson did a splendid piece of work.

Faithfully yours, FRANCIS B. SAYRE

500.C114/1575a : Telegram

The Secretary of State to the Consul at Geneva (Gilbert)

WASHINGTON, January 9, 1935—5 p. m.

2. The Senate Foreign Relations Committee today reported out favorably the following Resolution on the World Court Protocols:

"Resolved that the Senate advise and consent to the adherence by the United States to the said three Protocols, the one of date December 16, 1920, and the other two each of date September 14, 1929, (without accepting or agreeing to the optional clause for compulsory jurisdiction), with the clear understanding of the United States that the Permanent Court of International Justice shall not, over an objection by the United States, entertain any request for an advisory opinion touching any dispute or question in which the United States has or claims an interest."

No other "understanding", amendments or reservations were attached to the Resolution. It is expected that the Senate will take up the Resolution in the near future.

On the possibility that the Secretariat may desire to initiate steps toward hastening the ratifications of the other States which have not yet ratified the Protocol for the accession of the United States you may bring the above information informally and without publicity to the attention of such Secretariat officials as might be interested.

HULL

500.C114/1577 : Telegram (part air)

The Consul at Geneva (Gilbert) to the Secretary of State

GENEVA, January 11, 1935—11 a.m.
[Received January 12—3:15 p.m.]

5. Department's telegram No. 2, January 9, 5 p. m. Without stating that I was acting under instructions I discussed the situation infor-

[10] See telegram No. 2, January 9, 5 p. m., to the Consul at Geneva, *infra*.

mally with Avenol [11] who, adopting the idea, will proceed with it on a personal basis.

GILBERT

500.C114/1576

Senator Arthur H. Vandenberg to the Secretary of State

WASHINGTON, January 11, 1935.
[Received January 12—9:17 p.m.]

MY DEAR MR. SECRETARY: I have submitted in the Senate [12] an interpretive reservation to the Resolution of adherence to the World Court reading as follows:

"Resolved, further, That adherence to the said Protocol and Statute hereby approved shall not be so construed as to require the United States to depart from its traditional policy of not intruding upon, interfering with, or entangling itself in the political questions of policy or internal administration of any foreign state; nor shall adherence to the said Protocol and Statute be construed to imply a relinquishment by the United States of its traditional attitude toward purely American questions."

You will immediately recognize this language. It is the precise language originally written by Senator Swanson as the fourth paragraph of the original Fifth Senate Reservation approved by the Senate on January 26th, 1926 by unanimous vote. [13] It is the same language approved by the late Senator Walsh in connection with his report on the Resolution of adherence on June 1st, 1932. I assume it is a correct statement of the subsequent American status—and it is upon this theory that many of us are willing to vote to ratify. Yet to my amazement the paragraph was rejected two days ago in the Foreign Relations Committee by a vote of eleven to nine and apparently at the behest of the Administration. If it be not an impropriety I beg to ask of you wherein lies the reason for the rejection of this paragraph. Either it is the truth or it is an incorrect statement of the fact. If the latter, there are many of us who would like to know it before we vote. If the former, I confess my inability to understand why it should be rejected.

It is my view that the American status described in this paragraph is fully protected by the text of the proposed contract. If this is true, the reinactment of the paragraph involves no contradiction to the instruments themselves. If there is a contradiction—and if this is the reason for combating the paragraph—the American people

[11] Joseph A. Avenol, Secretary General of the League of Nations.
[12] On January 10, 1935; see *Congressional Record*, vol. 79, pt. 1, p. 249.
[13] See *ibid.*, vol. 67, pt. 3, p. 2824.

should know it. If it is not the reason, then the only other possible reason for rejection would be that it is needless surplusage. I respectfully submit that while this might have been true if the subject matter never heretofore had been asserted by the Senate, it ceases to be true in the face of the record. In other words, the contemporary refusal to define and re-assert this status invites the highly unfortunate implication that in some unknown way our American status is changed by the pending formula.

I am persuaded that the action of the Committee was taken without full consideration of these implications; and that in the light of further consideration, any resistance to this paragraph will be withdrawn.

If I am entitled to seek an expression of your opinion upon this subject, I shall be greatly obliged for a letter at your earliest convenience.

With sentiments of great respect [etc.] A. H. VANDENBERG

500.C114/1576

The Secretary of State to Senator Arthur H. Vandenberg

WASHINGTON, January 15, 1935.

MY DEAR SENATOR VANDENBERG: I have received your letter of January 11, 1935, concerning the following interpretative reservation to the resolution of adherence to the World Court, which you state you have submitted in the Senate:

"Resolved, further, That adherence to the said Protocol and Statute hereby approved shall not be so construed as to require the United States to depart from its traditional policy of not intruding upon, interfering with, or entangling itself in the political questions of policy or internal administration of any foreign state; nor shall adherence to the said Protocol and Statute be construed to imply a relinquishment by the United States of its traditional attitude toward purely American questions."

I am glad to comply with your request for an expression of my opinion upon this matter.

You state that it is your view "that the American status described in this paragraph is fully protected by the text of the proposed contract", i. e., the three Protocols. It is also my belief that this paragraph is not necessary for the protection of any American interest inasmuch as the Protocols and Statute of the Court contain absolutely nothing which could in any way "require the United States to depart from its traditional" or any other policies. The United States by adhering to the Court Protocols confers no jurisdiction on the Court whatsoever. It is my opinion that such an encumbering and un-

necessary provision in the resolution of adherence could only have the effect of misleading the public in an irresponsible manner.

Furthermore, it seems to me that without this provision we are left free to determine our policies as the circumstances may dictate and that we would acquire nothing by its inclusion except potential ill-will and embarrassment.

With warm personal regards [etc.] CORDELL HULL

[On January 29, 1935 (legislative day of January 21) the Senate rejected the resolution of adherence to the Permanent Court of International Justice, yeas 52, nays 36, two-thirds of the Senators present not having voted in the affirmative; *Congressional Record*, volume 79, part 1, page 1147.]

NEGOTIATIONS FOR THE SUPPRESSION OF LIQUOR SMUGGLING INTO THE UNITED STATES [1]

811.114 Cuba/585

The Consul at Habana (Tewell) to the Secretary of State

No. 2451 HABANA, May 25, 1934.
[Received May 26.]

SIR: I have the honor to inform the Department that on May 24, 1934, with the approval of the Ambassador, I had a conference with Mr. Martinez Saenz, Cuban Secretary of the Treasury, concerning measures to suppress the smuggling of liquor from Cuba into the United States under the provisions of the Convention of 1926.[2]

It was pointed out to Mr. Saenz that the port of Mariel has been an important base for such operations since June, 1933. Since that date some 57 shipments of liquor are known to have been made from that port to an alleged destination in Central America, at which destination those shipments never have been landed, despite the declarations filed with the Cuban Government at the time the liquor was withdrawn from the distillery and exported. The fact is that for Cuban liquors the United States is the only market that such vessels are capable of reaching, and, therefore, only in the case of clandestine shipments to the United States is it necessary to falsify documents presented to the Cuban authorities. Mr. Saenz was informed that since January 1, 1934, known shipments of liquor from Mariel have amounted to about 153,000 gallons, upon which the United States duty and internal revenue taxes would amount to almost one million dollars. Further, that were such shipments legal with regard to the laws of Cuba and the United States, they would not be exported at Mariel, inasmuch as the liquor (principally alcohol and rum) is produced in Habana distilleries. In fact, the use of Mariel is evidence of the illicit character of the traffic and, accordingly, by closing that port to export liquor shipments, more effective control of the trade would be possible.

The Secretary intimated that that suggestion would receive consideration. He stated also that the Cuban Government is taking other steps to control the liquor traffic through Mariel, the Customs Admin-

[1] For previous correspondence, see *Foreign Relations*, 1924, vol. I, pp. 188 ff.; *ibid.*, 1925, vol. I, pp. 518 ff., pp. 573 ff.; *ibid.*, 1925, vol. II, pp. 14 ff., pp. 504 ff.; *ibid.*, 1926, vol. II, pp. 18 ff., pp. 23 ff., pp. 336 ff.; *ibid.*, 1927, vol. III, pp. 230 ff.; *ibid.*, 1929, vol. II, pp. 48 ff.; *ibid.*, 1930, vol. I, pp. 488 ff.

[2] Signed at Habana, March 4, 1926, *ibid.*, 1926, vol. II, p. 18.

istrator at that port having been replaced recently by an officer who has received special instructions with regard to liquor shipments. One shipment has been made from Mariel during the incumbency of the new officer, which, the Secretary stated, is now being investigated.

The recent resumption of liquor shipments at Habana then was brought to the attention of Mr. Saenz, four vessels suspected by the United States Government of being engaged in smuggling liquor into American territory having taken cargoes from this port in the past six weeks, which cleared for such destinations as Belize, Honduras and St. Pierre-Miquelon. That such declarations were false, and therefore in violation of Cuban customs regulations, was indicated in the fact that one of the vessels, the *H. S. Albert II*, had recently arrived at Belize without its cargo. The Secretary also was informed that another vessel on the suspect list, the *Reo II*, is now in port preparing to take a large cargo of liquor from Habana. Thereupon he telephoned to the Collector of Customs and requested an immediate conference with other officials of the Treasury Department to decide what action should be taken with respect to that vessel.

While bonds for the production of landing certificates have been required of three vessels clearing with liquor from Habana recently, under existing circumstances, the efficacy of this procedure as a measure to suppress smuggling appeared to be open to question, inasmuch as the bond posted by the *H. S. Albert II* had not operated to insure delivery of its liquor cargo at the destination declared at Habana, nor had the bond requirement deterred two other suspected vessels from clearing subsequently from this port. It was pointed out to Mr. Saenz that after the signing of the Convention to Prevent Smuggling between the United States and Cuba and until June, 1932, numerous vessels of various nationalities, suspected of smuggling liquor from Cuba into the United States, had been refused clearances by the Cuban authorities, and that for some time, apparently as long as that policy was maintained, the operation of such vessels from Cuban ports practically ceased. It was suggested that similar action at this time would accomplish corresponding results.

Mr. Saenz, however, stated that the Machado [3] Government may have performed official acts not in accordance with Cuban law and that the present Government did not propose to prevent the clearance of ships that might be suspected of smuggling liquor from Cuba into the United States until it had thoroughly investigated such cases and determined whether that action legally might be taken. He expressed it as his opinion that the American authorities themselves could stop the illicit liquor traffic, his observation while on a recent sojourn in

[3] Gerardo Machado y Morales, President of Cuba, 1925–33.

the United States indicating that there is great laxity in enforcing laws that are openly violated by liquor smuggling organizations. The Secretary was informed, however, that the coastline of the United States convenient to many Cuban ports is so extensive and of such a nature that the most effective place to combat smuggling operations from Cuba is at the Cuban bases used by vessels engaged in that traffic, and it was suggested that the essential provisions of the existing Convention, insofar as they are applicable to smuggling into the United States, clearly recognize that fact.

Mr. Saenz stated that Cuba also has a smuggling problem, vessels that may be suspected of carrying illicit liquor cargoes from Cuba to the United States also being suspected of smuggling American cigarettes into Cuba. He stated that the Cuban Government is seriously considering solving its smuggling problem by reducing the customs duties on American cigarettes and suggested that the United States may best combat liquor smuggling by reducing its import tariff and taxes on liquor.

The Secretary's attention, however, was called to the fact that the present Convention was negotiated when the importation of intoxicating liquor into the United States was prohibited and that its provisions therefore then had no regard to tariff policy as regards imports of liquor. It was also pointed out that since the importation of liquor has been made legal the United States has adopted a liberal policy with respect to imports of liquor from Cuba and that interests in Cuba now actively engaged in smuggling liquor into the United States also enjoy and avail themselves of that preferential market for the legal sale of their products. He was also informed that it is known that such Cuban interests have recently informed contacts in the United States that arrangements have been made to continue smuggling operations on a large scale from Cuban ports, and it was suggested that the refusal of clearances to vessels suspected of engaging in that traffic at the same time probably would reduce the smuggling of American cigarettes into Cuba.

Mr. Saenz declared that the Cuban Government desires to encourage and protect only legitimate trade with the United States and that it is his desire to cooperate with the United States and receive from the United States its cooperation in promoting trade of that kind.

This report is being forwarded to the Department by airmail inasmuch as it has been learned that official sources in Cuba have provided newspaper correspondents in Habana with a résumé of my conference with Mr. Saenz.

Very respectfully yours, HAROLD S. TEWELL

811.114 Cuba/601

The Consul General at Habana (Cameron) to the Secretary of State

No. 119 HABANA, August 7, 1934.
[Received August 12.]

SIR: I have the honor to state that in accordance with intimations previously communicated to the Department, a conference was held on August 4 with Dr. Gabriel Landa, Secretary of the Treasury, for the purpose of enlisting his cooperation in suppressing smuggling operations between ports of Cuba and the United States.

In compliance with the Department's instruction of June 14, 1934 (File No. 811.114 Cuba/574),[5] Dr. Landa was informed that it is the view of the Government of the United States that the bond of 60 centavos per liter on export shipments of alcohol and liquor carried by vessels not having a regular itinerary or fixed route, originally established to protect the Cuban Treasury, also contributed substantially to discouraging illicit liquor traffic between Cuba and the United States, and that the reduction to 20 centavos per liter, made in January, 1933, largely removed this factor of discouragement.

This opportunity also was taken to bring to the Secretary's attention the recent press release by the Treasury Department at Washington, concerning the marked increase in smuggling activities on the Atlantic Coast and Gulf of Mexico, which release was enclosed with the Department's instruction of July 23, 1934.[5]

Reference also was made to the Secretary's instruction of July 30, 1934,[5] to Collectors of Customs in Cuba (copy transmitted with despatch No. 117 of August 7, 1934),[5] which embodies an instruction issued by the former Secretary of the Treasury on May 26, 1934, containing the following provision:

"The amount of the bond should be sufficient to compensate in case of failure to pay duties to the United States Government."

The desirability was suggested of stipulating the amount of the bond deemed to be "sufficient" within the meaning of that provision and that past experience would indicate that a rate of 60 cents per liter for the production of a landing certificate would contribute substantially to discouraging illicit traffic. It also was suggested that such bonds be required before granting permission to withdraw alcohol or liquor from the distillery warehouse.

[5] Not printed.

In accordance with the Department's instruction of June 14, 1934, (File No. 811.114 Cuba/574), occasion was taken to request that the Cuban Government deny to the British vessel *H. S. Albert II*, under that name or any other name, the right for a period of five years to enter or clear from any Cuban port with alcohol or liquor, in accordance with the provisions of Section II of the Convention to Suppress Smuggling, and that similar action be taken with respect to the British vessel *Semiramis*.

Secretary Landa stated that these matters would receive attention, designating Dr. Roberto Netto of the Treasury Department to initiate any additional regulations that might be necessary. Dr. Netto later called at the Consulate General for a conference on the subject.

Secretary Landa briefly reviewed the events that led to the seizure of the *Reo II* at Mariel, as reported in despatch No. 118 of this date.[6] He stated that he felt personally that Cuba was under moral obligations to carry out the provisions of the Convention with the United States and that it was his desire to fulfill those obligations. . . .

.

As evidence of his earnest desire to suppress the illegal trade in liquor, Dr. Landa stated that on July 30 he had issued an order forbidding, without his personal approval, the issuance of permits to withdraw from Habana distilleries alcohol and liquor for export at other ports. He stated that he would not approve the issuance of such permits.

Dr. Netto has proposed a plan to apply similar provisions throughout the Island, for the purpose of preventing alcohol from being transported for export from the town where it is manufactured, to another port in the same district. He admitted, however, that the efficiency of such a plan depends, as do present rules and regulations, upon the honesty and cooperation of the officials in charge.

It is suggested that the Department might desire the Consulate General to convey, through Secretary Landa, to the Cuban Government an expression of thanks for the efforts and steps that have recently been taken by the latter to suppress smuggling. It is probable that such an expression would strengthen the moral position of those officials endeavoring to carry out the Cuban Government's obligations under the Convention in the face of considerable opposition from some newspapers and a certain element of the population.

Very respectfully, C. R. CAMERON

[6] Not printed.

811.114 Great Britain/420

Memorandum by the Under Secretary of State (Phillips)

[WASHINGTON,] August 22, 1934.

At Secretary Morgenthau's [1] request, I attended a meeting in his office this morning, together with a number of Treasury officials.

It appears that an incipient rum row fleet is again appearing on the horizon and, from all accounts, will rapidly expand. Due to the high cost of legal liquor, the bootleggers have the field entirely to themselves, so much so that no legal liquor is now passing the Canadian border into the United States. Saint Pierre is the rendezvous for the smuggling business; already some 14 to 20 ships, almost exclusively under the British flag, are now operating from these headquarters. The liquor in question comes largely from Cuba and the West Indies and is of a very cheap quality.

Mr. Morgenthau expressed the hope that, in some way, the British Government could be persuaded to stop this abuse and pointed out that, should the situation be reversed and American smuggling ships appeared off the British coast, he felt certain we should hear promptly from the British through British official sources. I expressed doubt whether we could get the British Government to take any definite action and that, after all, the protection of our own frontiers was a matter for ourselves. I asked whether Mr. Morgenthau was convinced that we had gone the limit in using our own resources to prevent smuggling. Mr. Morgenthau readily admitted that we had not yet done so. I ventured the remark that possibly the Canadian liquor producers might be decidedly interested in the situation, in view of the fact that their legal trade with the United States had been taken from them by smugglers operating under the British flag; if that were so I did not see why they could not bring pressure to bear upon the Canadian Government and upon Mr. Bennett personally, in order that he, in turn, might make direct representations to the British Government. I added that the Canadian Prime Minister was in an advantageous position to deal with the British Government in such matters and that, according to my understanding, he was shortly going to London. Mr. Morgenthau said that he was going to see a representative of the Canadian producers and would put before him this suggestion.

The advisability of having a Vice Consul at Saint Pierre was discussed. Secretary Morgenthau was most anxious to have this done. His thought was backed by most of those present. I said that I would

[1] Henry Morgenthau, Jr., Secretary of the Treasury.

gladly look into the possibilities of this, but that it might be deemed more practicable to send to Saint Pierre some other kind of an agent,—that a Vice Consul would perhaps be too conspicuous a person for the work in hand.[8]

After the meeting Mr. Morgenthau told me personally that he was waiting further information and that it would be best to delay any action at the present time of sending anyone to Saint Pierre until he had communicated with me again.

WILLIAM PHILLIPS

P. S. During the conversation I asked whether, in the opinion of the gentlemen present, a 50% reduction in the tariff on Canadian liquors would be of help, in which case the Department would study the problem carefully to see whether this could be carried out promptly. Mr. Morgenthau replied that a 50% reduction would not meet the problem facing the Treasury, inasmuch as bootleg liquor was so cheap that it would still be able to undersell liquor legally imported even with a 50% reduction in tariff. Everyone present seemed to agree to this statement of Mr. Morgenthau.

811.114 Guatemala/31

The Secretary of State to the Minister in Guatemala (Hanna)

No. 97 WASHINGTON, October 12, 1934.

SIR: With reference to your telegram No. 58 of September 21, noon,[9] reporting the clearance from Puerto Barrios of the British vessel *Jagersfon* for Bermuda with a cargo of liquor and alcohol, you are informed that this ship was seized by United States Coast Guard authorities on September 26, 1934, at the entrance to St. Catherine's Sound, Georgia. At the time of seizure, the *Jagersfon* had only a small quantity of alcohol on board. Several cans were smashed and dumped when the vessel was boarded. On the shore nearby a large quantity of alcohol and two trucks were later seized by United States Treasury agents, and two persons arrested.

The above information should be furnished to the appropriate Guatemalan authorities. At the same time, you are requested, in your discretion, to inform them that, in view of the energetic measures which have recently been taken by the Cuban Government to stop the use of Cuban ports for liquor smuggling purposes, it appears that Puerto Barrios is becoming an active base for the operations of the

[8] A Vice Consul was assigned to the French islands of St. Pierre-et-Miquelon on November 24, 1934.

[9] Not printed.

unscrupulous persons engaged in the illicit liquor traffic. You should remind them of the recent clearance from Puerto Barrios with cargoes of liquor and alcohol of the vessels *Apohaqui*, *C. M. Laura*, *O. K. Service II*, *Energy*, *Yvonne Joanne* and *Accuracy*, in addition to the *Jagersfon*, all of which have been suspected for some time of being engaged in the illicit liquor traffic. The seizure of the *Jagersfon* indicates clearly that these vessels have no intention of delivering their cargoes to the ports for which they clear and, hence, make false statements to the officials of Guatemala in obtaining clearance papers. They frequently call at Belize, British Honduras, on their way north and again on their return to Puerto Barrios and probably would not hesitate to engage in smuggling into Guatemala if this should be found profitable. Reference is made in this connection to the Legation's despatch No. 703, of July 21, 1932,[10] stating that the Consul of Guatemala in Belize would be given instructions to investigate smuggling said to be carried on between Belize and Guatemalan ports.

You will, therefore, inquire whether the Guatemalan Government will take such steps as may be necessary to prevent Puerto Barrios, and other ports of Guatemala, from being used as bases of operation for the smuggling of liquor into the United States. There is enclosed for your information in this connection a copy of the Convention between the United States and Cuba "To Suppress Smuggling", signed at Habana on March 11, 1926, showing the measures which the Cuban Government has agreed to take in this matter.

It is believed that the following measures, if taken by the Guatemalan authorities, would be of great assistance to this Government in coping with the traffic:

1. Exclude intoxicating liquors and alcohol from the merchandise which may be transshipped at Puerto Barrios and other ports of Guatemala.
2. Require the production of a landing certificate under penalty of a bond in a suitable amount (for example, an amount equivalent to the combined duty and excise tax of $7.00 per gallon at present in force in the United States) to insure the landing of the cargo at its declared destination.
3. Refuse clearance to any vessel or vehicle loaded with intoxicating liquors or alcohol, concerning which notice has been given to the Guatemalan authorities by the appropriate American diplomatic or consular officer that it is likely to attempt to introduce its cargo unlawfully into the United States, even though bound ostensibly for a port of a third country; such information to be based on the known history of the vessel's activities.

You may inform the appropriate authorities that the cooperation of the Government of Guatemala in preventing the use of its ports as

[10] Not printed.

bases for the operations of the unprincipled individuals who are engaged in the smuggling traffic would be greatly appreciated by this Government.

Very truly yours, For the Secretary of State:
SUMNER WELLES

811.114 St. Pierre-Miquelon/147

The Under Secretary of State (Phillips) to the French Ambassador (Laboulaye)

WASHINGTON, November 9, 1934.

MY DEAR MR. AMBASSADOR: The officers of the American Government charged with the prevention of smuggling into the United States had hoped that with the repeal of the 18th Amendment [11] problems in connection with the smuggling of liquor into the United States would disappear. Partial cessation of shipments of illicit liquor into this country during the first three months of the present year seemed to indicate that these hopes would be realized, but during the last six months there has again been a considerable increase in the volume of illicit liquor trade.

I am informed that there have been a number of evidences of a revival of smuggling of liquor into the United States from the Islands of St. Pierre-et-Miquelon. During the three months' period ended September 30th last 24,495 gallons of alcohol, originating for the most part in Europe, were transshipped in Canadian ports en route to St. Pierre-et-Miquelon. I have also been informed that considerable quantities of alcohol have been exported direct from European ports to St. Pierre-et-Miquelon; in this regard I may mention the fact that an officer of the Norwegian steamship *Glittrefjell* recently stated to American customs officers in an American port that this vessel discharged approximately 10,000 gallons of alcohol at St. Pierre on a direct voyage from Europe during the early part of September.

The alcohol illicitly imported into the United States is used for the illegal manufacture of cheap spirits which are sold without the payment of any taxes. These illicit products compete directly with the alcoholic beverages manufactured in this country by legitimate producers and with cognac, cordials and wines imported into the United States from France. In these circumstances it seems clear that the use of St. Pierre-et-Miquelon as a smuggling base for this traffic is definitely contrary to the interests of legitimate producers of alcoholic beverages in France who export their products to the United States.

[11] The 21st Amendment to the Constitution, repealing the 18th Amendment, became effective December 5, 1933.

It seems pertinent to add that none of the vessels understood to be using St. Pierre as a smuggling base is French and that few of the persons interested in the traffic are nationals of your country.

In view of the foregoing considerations, it is my earnest hope that your Government will take suitable steps to frustrate these efforts to use St. Pierre-et-Miquelon as a base for the above-mentioned illegal activities.

I am [etc.] WILLIAM PHILLIPS

811.114 Newfoundland/59

The Under Secretary of State (Phillips) to the British Ambassador (Lindsay)

WASHINGTON, November 12, 1934.

MY DEAR MR. AMBASSADOR: I have been informed that there has been a considerable increase recently in the liquor smuggling activities from Newfoundland. During September the three vessels *Malbo*, *May and June*, and *Placentia* were reported by the Newfoundland Customs authorities as having cleared from St. John's for Bermuda with cargoes of liquor, and during the early part of October the three vessels *Anna D.*, *Margaret S. II*, and *Ganneff* were likewise reported as having cleared from St. John's, the latter two with cargoes of liquor for Bermuda. All of these vessels are known from the history of their operations over a long period of time to be engaged in the illicit liquor traffic. The *Margaret S. II*, following its clearance from St. John's on October 3 with a cargo of liquor for Bermuda, arrived at Yarmouth, Nova Scotia, on October 11 in ballast from Lunenburg. From the short interval of time between its clearance from St. John's and its arrival at Yarmouth it may naturally be assumed that the vessel succeeded in promptly disposing of its cargo off the coast of the United States. Advice has just been received, furthermore, that the same vessel has again cleared from St. John's, on October 24, with a cargo of liquor or alcohol for Bermuda and also that the *Anna D.* cleared again on October 29, with a cargo of alcoholic spirits for St. Pierre, making a total of five clearances during October. This is indicative of the present activity of this illicit trade. According to information received from the appropriate authorities of Bermuda, not one of the vessels clearing for Bermuda has arrived at any port of that island since leaving St. John's. Furthermore, the master of the *Placentia* filed an affidavit with the Collector of National Revenue at Yarmouth, Nova Scotia, on the arrival of his vessel at that port in ballast on October 17, stating that the *Placentia* cleared from St. John's Newfoundland, on September 26,

1934, for Bermuda, with a cargo of 1667 cases of alcohol; that the vessel proceeded to a point south-south-east of Nantucket Lightship where the entire cargo was transferred to a motor ship called the *Corsair* on October 13, 1934. The history of the previous operations of the *Placentia*, as well as of the *Anna D* and the *Malbo*, were sent to you with my note of October 5, last.[13]

Although all six of the vessels mentioned above are registered at St. John's, Newfoundland, they are operated from Nova Scotia, with the exception of the vessel *May and June*. The same is true of practically every liquor vessel registered at St. John's. I enclose for your information in this connection a list of 19 liquor vessels registered at St. John's, all of which, with the one exception of the *May and June* above mentioned, are owned by companies or individuals in Nova Scotia. St. John's, Newfoundland, thus bears the onus of being regarded as a base for vessels engaged in the smuggling traffic when, as a matter of fact, the vessels are actually operated from Nova Scotia. Some of the reasons why St. John's is used as a port of registry and clearance are as follows:

1. The Canadian authorities are enforcing a law requiring the furnishing of landing certificates in connection with cargoes of alcoholic liquors, whereas no such certificates are required by the Newfoundland authorities.
2. Newfoundland regulations respecting registration of vessels and licenses to operate ships are not enforced as strictly as are those obtaining in Canada; this is understood to be particularly the case with reference to the qualifications and character of applicants for licenses.
3. Vessels registered in Newfoundland, although Canadian-owned, are not subject to Canadian navigation laws.
4. Vessels registered in Newfoundland may clear from Canadian ports without being subject to Canadian laws as to the proper licensing of radio apparatus.

In connection with the above, attention is invited to the fact that these vessels habitually base at Canadian ports between trips.

Furthermore, certain provisions of the present laws of Newfoundland appear to encourage the smuggling traffic. In particular, I enclose a copy [13] of Section 108, Chapter 57, of the Newfoundland Customs Act, 1933, which provides that landing certificates shall be required for all classes of merchandise exported from a Customs warehouse except those upon which an ad valorem duty is not imposed. I am informed that at the present time alcoholic liquors are the only articles for which no landing certificates are required. In addition, the laws of Newfoundland permit clearance of suspected vessels for the high seas, thus facilitating the illicit traffic, since vessels engaged in legitimate cargo trade do not clear for the high seas.

[13] Not printed.

I am also informed that there are at present 70 bonded warehouses in Newfoundland, and that less than two percent of the total quantity of alcoholic liquors imported are consumed in the Colony, the remainder being exported. As there would not appear to be any demand for the legal transshipment of liquors or alcohol at St. John's for Canada, the United States or ports in other countries, it may be assumed that the remaining 98 percent is intended for the illicit traffic.

In order to prevent the use of ports in Newfoundland from serving as bases for the smuggling of alcohol and liquor into the United States, it would be greatly appreciated by this Government if the necessary steps could be taken as soon as possible to accomplish the following objects:

1. To require landing certificates upon the clearance of vessels with cargoes of alcohol and/or liquors to insure the delivery of the cargo at its declared destination.
2. To prohibit the clearance of vessels for the high seas with cargoes of alcohol and/or liquors.

It is understood that the above-mentioned steps could be taken immediately by the Governor-in-Council.

The persons engaged in the smuggling traffic direct their operations not only against the United States, but also against Canada and Newfoundland. They, furthermore, compete with legitimate producers of spirits in Great Britain as well as in the United States, with a consequent damage to the interests of both countries. Immediate action is necessary to frustrate the activities of these lawless elements before they become too strongly intrenched. Now that the true condition of affairs is made known to the British Government, I feel confident that the appropriate steps will be taken at once.

I am [etc.] WILLIAM PHILLIPS

811.114 Guatemala/481

The Minister in Guatemala (Hanna) to the Secretary of State

No. 428 GUATEMALA, November 19, 1934.
[Received November 26.]

SIR: Supplementing my despatch No. 400 of October 30, 1934,[14] concerning shipments of liquor and alcohol from Puerto Barrios apparently destined for illicit entry at ports of the United States, I have the honor to transmit herewith a copy and translation of Foreign Office Note No. 12212 of November 16, 1934,[14] which is in reply to the Legation's note of October 19, 1934, based on the Department's instruction

[14] Not printed.

No. 97 of October 12, 1934. A copy of the latter note is also enclosed herewith.[15]

It will be noted that the Guatemalan Minister of Finance indicates that he is favorably disposed to the negotiation of a treaty for the suppression of illicit liquor traffic from Guatemalan ports to the United States and the prevention of contraband traffic in chicle originating in Guatemala and destined for ports of the United States, similar to the treaty signed at Habana in March, 1926, between the United States and Cuba.

I should add in this connection that I have just received the Department's instruction No. 106 of November 10, 1934,[15] requesting a definite suggestion from the Guatemalan Government as to the nature of the assistance by means of documentary requirements that it desires from the Government of the United States for the suppression of the contraband chicle traffic, and that I will lose no time in bringing it to the attention of the Foreign Office.

Respectfully yours, MATTHEW E. HANNA

811.114 Cuba/624

The Ambassador in Cuba (Caffery) to the Secretary of State

No. 1963 HABANA, November 21, 1934.
[Received November 26.]

SIR: Referring to previous reports concerning the fact that, due to the satisfactory attitude of Colonel Batista,[16] for the first time since the signing of the Liquor Treaty, liquor smuggling from Cuba to Florida has been almost eliminated, I have the honor to state that I have been informed by Consul General Cameron, who returned yesterday from conferences at New Orleans and Jacksonville which had to do with liquor and narcotic smuggling, that the Federal Agents at Jacksonville remarked that the last seizure of arms destined illegally for Cuba had been made about two years ago. I am bringing this out in view of the recent seizures by the Cuban authorities of arms smuggled into this country from Florida. As the Department is aware, the Cuban military authorities are being particularly vigilant in preventing the departure of vessels from Cuban ports ladened with contraband rum because they believe that the same vessels often return to Cuba with contraband arms.

Respectfully yours, JEFFERSON CAFFERY

[15] Not printed.

[16] Col. Fulgencio Batista, Chief of Staff of the Cuban Army.

811.114 St. Pierre, Miquelon/151

Memorandum by the Assistant Chief of the Division of Western European Affairs (Hickerson)

[WASHINGTON,] November 23, 1934.

Mr. Garreau-Dombasle [17] came in to see me yesterday and stated that he had in the last few days been talking with Mr. Graves [18] of the Treasury Department respecting a possible modification of the proposed bottling regulations of the Treasury Department; he said that Mr. Graves intimated to him that the Treasury Department would probably be able to alter these regulations in the sense desired by the French Government if the French Government would take effective steps to prevent the use of St. Pierre-et-Miquelon as a smuggling base. Mr. Garreau-Dombasle said that his Ambassador had been very much impressed with the logic of our note of November 9, last, on this subject and that he had forwarded this note to the foreign office with a recommendation that the French Government, in its own interest as well as in an endeavor to help us, take steps to prevent smuggling from these French islands.

Mr. Garreau-Dombasle said that he would appreciate it very much if I could give him some suggestions of action which they could take to bring about the desired end. I replied that numerous possible steps would undoubtedly occur to the Colonial Ministry, and that I was somewhat reluctant to advance suggestions on the subject; I went on to say that since, however, he had in an informal way requested me to, I was glad to mention the following steps which might very well be taken. I stated that it seemed to me that a most obvious solution would be to establish some correlation between imports and domestic consumption in these islands. I pointed out that at the present time there is such a low import duty on liquors and alcohol [the latter constituting almost the whole of the present problem],[19] the practice is to pay the duty on importations brought in with the full intention of transshipping them to smuggling vessels destined to the United States. I went on to say that he knew, very well, our views on the quota system, and that I would be the last person to suggest any extension of their quotas, but that in the present case it might very well occur to them that a quota on alcohol for the islands of St. Pierre-et-Miquelon would be the most practicable solution. I added that there was, I understood, practically no demand in the islands for alcohol for local use. I went on to say that it would also be particularly helpful if the French

[17] Maurice Garreau-Dombasle, French Commercial Attaché.
[18] Harold N. Graves, Special Assistant to the Secretary of the Treasury.
[19] Brackets appear in the original.

Government could make arrangements with the local authorities in St. Pierre-et-Miquelon whereby the latter would refuse to permit certain vessels from clearing with cargoes of liquor or alcohol; I added that our Treasury Department keeps an up-to-date list of vessels known to be engaging in the smuggling trade and that we would be glad to furnish the Embassy currently with copies of this list.

Mr. Garreau-Dombasle said that Mr. Graves had mentioned to him the desirability of landing certificates showing that cargoes had been legally landed in a foreign country. I told him that the requirement of such certificates would be helpful but, in my opinion, less so than the steps which I had outlined above. Mr. Garreau-Dombasle thanked me and said that he would send a report on this to his Government, making it clear that the suggestions had been made informally at his own request.

As an illustration of the extent to which the traffic in alcohol is adversely affecting the interest of foreign legitimate producers I called Garreau-Dombasle's attention to a recent press article about the illicit manufacture and counterfeiting of French cognac labels in the United States. This article stated that the representative of a French cognac firm purchased a bottle of what appeared to be his company's product in each of three hundred liquor stores in the United States and upon analysis found that over half of these products were spurious.

J[OHN] D. H[ICKERSON]

811.114 Cuba/629

The Ambassador in Cuba (Caffery) to the Secretary of State

No. 2071 HABANA, December 5, 1934.
[Received December 6.]

SIR: With reference to previous reports concerning liquor smuggling from Cuba to the United States, I have the honor to transmit herewith a clipping[20] from this morning's *El País* reporting that Colonel Despaigne, the new Secretary of the Treasury, has taken measures to prevent liquor shipments to such ports as Puerto Barrios, Belize, Cozumel, and others where alcohol shipments are likely to be transshipped and smuggled into the United States. It will be observed that Colonel Despaigne considers such shipments as "evading the smuggling treaty between the United States and Cuba." It is reported that a shipment of 38,000 cases of alcohol on the vessel *Manzanillo*, destined for Cozumel, and shipments of 20,000 cases of alcohol

[20] Not reprinted.

on the *Nosa Prince* and 22,000 cases on the *Belize*, destined for Honduras, were not permitted to leave Habana yesterday.

In connection with the foregoing, I am enclosing two copies of a self-explanatory memorandum [21] prepared at my request by Consul General Cameron, together with the enclosures thereto.

This voluntary action on the part of the Cuban authorities in preventing shipments of liquors obviously destined for smuggling into the United States should prove of much assistance in our efforts to prevent such smuggling. I trust that, in view thereof, every effort will be made to reciprocate by preventing arms and explosives from being smuggled from Florida ports for Cuban destination. I cannot over-emphasize the importance of this if terrorism is to be put down and law and order maintained by the Cuban authorities.

Respectfully yours, JEFFERSON CAFFERY

811.114 Great Britain/439

Memorandum by the Assistant to the Secretary of the Treasury (Graves) of a Conference With the Counselor of the British Embassy (Osborne) [22]

[WASHINGTON,] January 16, 1935.

The conference was arranged by Mr. Hickerson of the State Department, apparently at the request of Mr. Osborne.

Mr. Osborne stated that the various notes from the State Department to the British Ambassador relating to the subject of smuggling of distilled spirits from British ports or in ships of British registry into the United States had been transmitted to the British Government; that the British Government (Board of Trade) had for months been making a strong effort to solve the problem, but without any success up to the present time; that he had recently received dispatches from his Government discussing the situation at length, but indicating that there was very little if anything which could be accomplished along the lines of the expressed desires of this Government. He said that this was due to two things: first, that the laws of Great Britain relating to shipping afford no basis for the cancellation of registry for offenses such as we have complained of, since these offenses are not *per se* violations of British law, and, second, that the virtually autonomous character of the Colonial Governments involved renders them to all intents and purposes free from control by the Home Government.

[21] Not printed.

[22] Transmitted with Mr. Graves' letter of January 17, 1935, to the Assistant Chief of the Division of Western European Affairs (not printed).

I called to Mr. Osborne's attention the fact that this Government had suggested in its recent notes that it should be possible effectually to control the situation without in the least doing violence to any basic principle of British law relating to the registry of ships for the foreign trade; that is to say, through such devices as (*a*) requiring landing certificates, and (*b*) prohibiting the clearance of vessels for the high seas with cargoes obviously intended to be smuggled directly or indirectly into the United States. I brought to Mr. Osborne's notice in this connection the situation which now exists at Newfoundland, which appears to require landing certificates in respect of all classes of cargo outbound from Newfoundland (including "in-transit" goods), excepting alcohol and alcoholic beverages. I told him that my information was that Newfoundland is, practically speaking, in a state of receivership at the present time and subject to the control of the British Government; and that under the circumstances it would seem to be a simple matter to secure, by Order in Council or otherwise, a modification of the Newfoundland customs law or the regulations promulgated thereunder, which would eliminate the exception or exemption now accorded in the case of alcohol and alcoholic beverages. Mr. Osborne said that our information was correct with reference to the present status of the Government of Newfoundland; that he was unable to see why there should be any difficulty in bringing about the suggested modification of the Newfoundland law or regulations; that he would accordingly take steps to have this specific proposition called immediately to the attention of the British Government, with the recommendation that action be taken in accordance with our suggestion on this point.

I suggested to Mr. Osborne that similar steps might likewise be taken in other British possessions, pointing out in this connection that our understanding was that the Government of Bermuda had assured our Consul there (in connection with a recent reduction of duty on distilled spirits) that the Bermudan Government would insist upon the posting of a proper bond upon all exports of distilled spirits from Bermuda, to be discharged only by the subsequent presentation of landing certificates proving that the cargo had been entered at the declared port of destination. I suggested that if Bermuda was able to effectuate this arrangement, it would be difficult to understand why any other British colony should not be in a position to do the same thing if it so desired. Mr. Osborne agreed with this view.

At the end Mr. Osborne seemed to feel that there probably was a basis for a solution of the problem, along the lines which have been suggested, in so far as it relates to cargo shipped outward from

British possessions like Newfoundland, Bermuda, British Honduras, etc. He does not, however, at the present time see any way to deal with ships of British registry which pick up cargo at other than British ports, carry it to points on the high seas, and discharge it to shore-contact vessels. I suggested that, for the time being, this was probably a matter of secondary importance; that we would consider it a great step forward if a way could be found to cut off exportation from, or transshipment through, British colonies; and that we would be quite willing to leave for future consideration all other elements of the problem.

Mr. Osborne stated that nothing was said in the dispatches which he had received from his Government bearing directly upon the suggestions made by this Government with respect to landing certificates: that he would call these suggestions again to the attention of his Government, and press them for action accordingly.

Mr. Osborne stated that it would probably be advantageous for him personally to make a trip to St. Johns, Newfoundland, for the purpose of contacting Government officials there, and indicated that he would make this trip if he could find the time.

Mr. Osborne asked, and I undertook to answer, a number of questions with reference to the identity of the persons operating and financing smuggling operations. With respect to the Sweeney case, I pointed out that the British Government was without jurisdiction, since Sweeney is a citizen of Canada.

I have sent to Mr. Osborne, at his request, a copy of the sections of the customs law of Newfoundland which relate to landing certificates, and a copy of the Decree promulgated by the Government of Cuba banning exports of alcohol to points known to be bases of supply for smugglers; and I agree to attempt to secure for his use copies of the customs laws of all British possessions in North and Central America and the West Indies.

My understanding with Mr. Osborne is that to-day's conference is to be regarded as preliminary only. We arranged to meet for a further conference upon the return of Commander Thompson [23] to Washington, and for such later conferences as occasion requires.

Mr. Osborne asked me to give assurance to Secretary Morgenthau that the British Government was much concerned about this whole matter and would undertake to cooperate with this Government in every possible way.

HAROLD N. GRAVES

[23] Commander B. M. Thompson of the Coast Guard, Special Assistant to the Secretary of the Treasury.

811.114 Great Britain/436 : Telegram

The Secretary of State to the Ambassador in the United Kingdom (Bingham)

WASHINGTON, January 22, 1935—6 p.m.

12. Under instructions from the President, Phillips yesterday saw the British Ambassador. He told Lindsay that the President had directed him to tell the Ambassador specifically that he (the President) was losing patience at the apparent indifference of the British Government to respond to our various requests with respect to liquor smuggling from British possessions; that we had received cordial cooperation from France and from Canada [24] and that he was much upset at the evident lack of cooperation from London. As to Newfoundland the President was well aware that it was in the hands of the receiver and he could see no explanation why the British efforts to prevent smuggling from that area could not be successful; West Indian possessions were also largely in the hands of receivers, and there seemed to be no good explanation why they could not also be brought into line. Phillips continued that the President felt that he might have to make a report to Congress on the subject and that unless something were done by the British Government he would have to state the facts clearly.

Lindsay promised that he would at once send a further despatch to the Foreign Office. I feel, however, that it would be advantageous for you to explain in the proper quarters the direct personal interest of the President in this matter and the seriousness with which we regard the lack of adequate British cooperation.

HULL.

811.114 Great Britain/437 : Telegram

The Chargé in the United Kingdom (Atherton) to the Secretary of State

LONDON, January 23, 1935—4 p.m.
[Received January 23—1:35 p.m.]

31. I stressed to Vansittart [25] today the substance of your 12, January 22, 6 p.m., and he informed me Lindsay had ably set forth in a telegram just received the emphasis Mr. Phillips had put on an apparent lack of British cooperation. Vansittart explained that a meeting of the governmental departments concerned had been urgently summoned and he would send for me at an early date to

[24] See paragraph beginning "The Canadian Government . . ." in instruction No. 722, April 27, to the Chargé in Mexico, p. 415.

[25] Sir Robert Gilbert Vansittart, British Permanent Under Secretary of State for Foreign Affairs.

advise me further as to the course of these deliberations. In the meantime he asked that if any measures of the French or Canadian authorities had in the Department's knowledge proven outstandingly effective, these measures might be outlined to Lindsay in order that the British might have the benefit thereof in their deliberations.[26]

ATHERTON

811.114 Netherlands/42

The Minister in the Netherlands (Emmet) to the Secretary of State

No. 148 THE HAGUE, January 24, 1935.
[Received February 6.]

SIR: I have the honor to acknowledge the receipt of the Department's instruction No. 93 of December 31, 1934[27] inquiring whether it is possible under the laws of the Netherlands for vessels to clear from a port of the Netherlands with cargoes of alcohol or liquor and to discharge such cargoes into other vessels on the high seas.

In reply, I have the honor to report that according to inquiries made in The Hague, the Legation was informed that there is no effective Netherlands legislation which would prevent vessels from transshipping their cargoes to other vessels on the high seas. To prevent smuggling with neighboring countries, there is a provision that vessels of less than one hundred tons burden must produce a certificate of delivery from the port authorities of the countries declared to be the destination.

The Legation further inquired of the Consulate at Rotterdam and has received a reply, the pertinent parts of which are enclosed herewith.[27]

Respectfully yours, GRENVILLE T. EMMET

811.114 Great Britain/441½

The Counselor of the British Embassy (Osborne) to the Secretary of the Treasury (Morgenthau)[28]

WASHINGTON, January 31, 1935.

DEAR MR. SECRETARY: Mr. Graves being out of town I am again communicating direct with you on a minor point connected with the liquor smuggling question.

[26] An undated marginal notation reads as follows: "Sec. Morgenthau and his assistants were talking to Osborne about this and have already furnished information about cooperation we are receiving from other govt's. J[ohn] D. H[ickerson]."

[27] Not printed.

[28] Marginal notation: "Copy furnished by Treasury."

You may remember that Section 3 (*f*) of the 1926 arrangements[30] provided for the notification to the United States Consul-General in London of any confidential information that could be given in regard to the departure from British ports of vessels with "interesting" cargoes. This practice was followed until some time after the repeal of Prohibition, when the Consul-General informed the customs in London that he had been notified from Washington that the information was no longer required.

The United States Consul at Glasgow has now, under instructions from the State Department and with reference to the 1926 arrangements, asked to be supplied with information regarding the departure of vessels with cargoes of alcohol from any port in his district to any port adjacent to the United States.

In connection with this request we have been instructed to tell you that the Customs are quite ready to revert to the former practice of communication through the United States Consul-General in London. Alternatively, and if you wish this confidential information to be communicated locally, perhaps you would let me know, and we should be ready to telegraph to London about your views.

Believe me [etc.] D. G. OSBORNE

811.114 Great Britain/441½

The Secretary of the Treasury (Morgenthau) to the Counselor of the British Embassy (Osborne)[31]

WASHINGTON, February 5, 1935.

MY DEAR MR. OSBORNE: Your letter of January 31st, 1935, has been received. Thank you for the information contained therein.

With regard to the notification of our Consul General in London of departure of vessels with cargoes of alcohol for any port adjacent to the United States, we are much interested in such departures due to the activity now prevailing in smuggling operations. We will appreciate it if you will have the former practice of such notification resumed, not only from your ports in Great Britain with regard to sailings to any port in the Western Hemisphere, but also from your possessions in the Western Hemisphere to any other port west of the Azores. In addition to shipments of alcohol as such we would also appreciate having included shipments of compounds of alcohol, such as wood stain, ink and similar combinations which permit of extraction of alcohol, and which, our experience shows us, come under the head of "interesting" cargoes. With regard to shipments from the

[30] See *Foreign Relations*, 1926, vol. II, pp. 351 ff.

[31] Copy furnished to the Department of State by the Treasury Department.

United Kingdom direct to the Western Hemisphere, we would also appreciate information as to such shipments to intermediate ports of call in Europe on freight routes to this side of the water.

It will be satisfactory if your Customs authorities communicate the above information direct to our Consular representatives instead of by the alternative method you mention.

Very sincerely yours, H. MORGENTHAU, JR.

811.114 Newfoundland/121 : Telegram

The Consul General at St. John's (Quarton) to the Secretary of State

ST. JOHN'S, February 13, 1935—1 p.m.
[Received February 13—12:50 p.m.]

Department's telegram of February 12, 6 p. m.[32] Commission of Government at a meeting yesterday afternoon February 12th approved Bermuda system of landing certificates. It cannot become immediately effective in Newfoundland without approval of the Dominions Office which has been telegraphed for. Effective date will be telegraphed when known.[33] It is understood this legislation is included with other maritime and customs matters. Please regard foregoing as strictly confidential until confirmed by British Government.

QUARTON

811.114 Newfoundland/121½

The Counselor of the British Embassy (Osborne) to the Secretary of the Treasury (Morgenthau)[34]

WASHINGTON, 25 February, 1935.

DEAR MR. SECRETARY: I am pleased to be able to inform you that we are now authorized to advise you that action is being taken by the Government of Newfoundland which will ensure: (*a*) that clearance for "the high seas" with exports of liquor be prohibited, (*b*) that no liquor may be exported from St. John's in a vessel of less than 200 tons (this prohibition already applies in regard to other Newfoundland ports), and (*c*) that a bond be required in respect of liquor exported from, or transshipped in, Newfoundland, whether in the case of St. John's or other ports of Newfoundland.

Believe me [etc.] D. G. OSBORNE

[32] Not printed.

[33] The Consul General at St. John's informed the Department in his telegram of February 16, 2 p.m., that the "Bermuda system of landing certificates applying vessels under 200 tons has been approved by Dominion Office and will be in effect from 12 o'clock midnight tonight." (811-114 Newfoundland/122)

[34] Copy transmitted to the Department of State by the British Embassy.

811.114 St. Pierre, Miquelon/197

The French Embassy to the Department of State

[Translation]

The French Government is disposed to give the American Government the following guarantees, as far as the application of a system of bonding to St. Pierre and Miquelon is concerned:

1. The issuance of clearances for the "high seas", without indication of the port of destination, will be prohibited at St. Pierre.
2. No alcohol may be exported from the Colony on a vessel of less than 200 tons.
3. A bond will be required for all alcohol exported from St. Pierre. It is unnecessary to consider the application of this measure to transshipments or re-exportations of alcohol, these operations being prohibited in the Colony.

The bond, which will be fixed at 15 francs per liter, will be repaid only upon presentation to the authorities of St. Pierre of a certificate of debarkation issued by the customhouse of the port of destination and authenticated by the French Consul or Consular Agency in residence in that port or in the nearest town.

The bond will be repaid if the required certificate is presented within a period of six months counted from the time at which the spirituous [liquors] [35] have been exported from St. Pierre. After that period, it shall pass to the Colony.

In case it should appear, after one year of operation, that the system contemplated would involve too heavy burdens for the Colony, the French Government reserves the right to modify it or put an end to it.

The decree necessary for putting the bond system into effect at St. Pierre has now been prepared by the Minister of the Colonies and the Governor of the Island. It will not be put into effect, however, until formal assurance has been given that the programs of cruises of the U. S. Lines provide for stops at St. Pierre.[36] The necessary arrangements will be made at St. Pierre for facilitating these visits. In connection with this, the French authorities call attention to the fact that ships with a draft of 6.15 meters of water can enter the harbor; those of greater tonnage will have to anchor in the roadstead, but lighters will be placed at their disposal to facilitate their revictualling and the discharge of passengers.

WASHINGTON, March 15, 1935.

[35] Brackets appear in the file translation.

[36] By telegram No. 69, February 27, noon, the Department had informed the Embassy in France that the condition imposed by the French had been met and that "The Under Secretary expects to see the French Ambassador at an early date to inform him of this and to request that appropriate steps now be taken by the French Government regarding St. Pierre." (811.114 St. Pierre, Miquelon/-174).

811.114 Guatemala/74

The Secretary of State to the Minister in Guatemala (Hanna)

No. 176 WASHINGTON, April 5, 1935.

SIR: With reference to instruction No. 97, of October 12, 1934, concerning the use of Puerto Barrios as a base for the smuggling of alcohol into the United States, you are informed that recent reports indicate a recrudescence of the activity from that port. There is enclosed information from which it apears that . . ., of Belize, British Honduras, who is already known to the Guatemalan authorities as a suspected narcotic smuggler, is negotiating for shipments of alcohol from Europe direct to Puerto Barrios in transit. Similar arrangements are understood to be contemplated by persons in Cuba, who are soliciting orders for shipments of European alcohol direct to Puerto Barrios.

It appears that these negotiations have already borne fruit as three well-known liquor vessels, the *G. S. G.*, the *H. S. Albert II*, and the vessel *La Plata*, are reported to have left Puerto Barrios on February 25, 1935, with cargoes of alcohol aggregating 5,850 cases, which are understood to have been brought to that port by a vessel of the Royal Netherlands Steamship Company.

You are consequently requested to bring the foregoing to the attention of the appropriate Guatemalan authorities and to inform them that, in view of the cooperation received from the Governments of Canada, Cuba, and Great Britain in preventing the use of their ports as bases for the activities of the unscrupulous individuals engaged in smuggling, it is confidently believed that the Government of Guatemala will take similar steps to prevent the use of Puerto Barrios as a base of operations having for its object the violation of the laws of a friendly country. You may furnish the Guatemalan Government with copies of the enclosed memoranda [37] showing the cooperation received from the Governments mentioned above. In addition, you may inform the Guatemalan authorities that the French Government has expressed its willingness to take appropriate steps to prevent the continued use of St. Pierre-et-Miquelon as a smuggling base.

With a view to aiding the Guatemalan authorities to determine the procedure which would be most helpful in this connection, you may inform them that the following measures, which are similar to those recently adopted in Newfoundland, would be of great assistance to this Government in coping with the situation:

1. Refuse clearance from any port of Guatemala to any vessel or vehicle with a cargo of alcohol or alcoholic liquors destined for "the high seas".

[37] Not printed.

2. Refuse clearance from any port of Guatemala to any vessel or vehicle of less than 200 tons net, loaded with alcohol or alcoholic liquors, destined for a foreign port or place.

3. Require the production of a landing certificate under penalty of a bond in a suitable amount (for example, in Newfoundland the amount of the bond required is $11.60 a proof gallon) to insure the landing at its declared destination of any alcohol or alcoholic liquors exported from or transshipped in any port of Guatemala.

In view of the action which the Governments of Great Britain, Canada, and Cuba have taken, and which France has agreed to take, Guatemala remains at the present time practically the only country from which large scale smuggling operations are being directed against the United States. It is therefore believed that this Government may rightfully expect that the Government of Guatemala will take the necessary steps to prevent the continuance of this nuisance.

The result of your representations will be awaited with interest.

Very truly yours, For the Secretary of State:
SUMNER WELLES

811.114 St. Pierre-Miquelon/207 : Telegram

The Ambassador in France (Straus) to the Secretary of State

PARIS, April 17, 1935—noon.
[Received April 17—5:34 a.m.]

344. *Journal Officiel* of April 14 carried a decree containing among others the three provisions enumerated in the Department's No. 118, April 4, 6 p.m.,[38] in regard to suppressing illicit alcohol trade from St. Pierre-Miquelon. Text of decree by mail.[39]

STRAUS

811.114 Belgium/138

The Ambassador in Belgium (Morris) to the Secretary of State

No. 436 BRUSSELS, April 23, 1935.
[Received May 3.]

SIR: I have the honor to refer to the Department's instruction No. 159 of December 31, 1934,[40] requesting information for the Treasury Department as to whether it is possible under Belgian laws for vessels to clear from Belgian ports with cargoes of alcohol or liquor and to discharge such cargoes into other vessels on the high seas.

[38] Not printed; for the provisions in question, subsequently embodied in the decree of April 9, 1935, see note of March 15 from the French Embassy, p. 412.
[39] Despatch No. 1803, April 17, not printed.
[40] Not printed.

In this connection, I am in receipt of a note from the Belgian Ministry for Foreign Affairs, dated April 10, 1935, stating that so far as known to the Marine Administration, there exists no Belgian law or regulation prohibiting the transfer of cargoes on the high seas which have been loaded on board in a Belgian port.

However, the Ministry adds that since the general subject of alcohol and liquor is within the special province of the Ministry of Finance, this Ministry has been consulted.

The Embassy will advise the Department further as soon as additional information is received in the premises.[41]

Respectfully yours, D. O. MORRIS

811.114 Mexico/345

The Secretary of State to the Chargé in Mexico (Norweb)

No. 722 WASHINGTON, April 27, 1935.

SIR: Within the past six months the bases of operations from which the greater part of the smuggling of alcohol and liquors into the United States has been carried on have gradually been closed. The Cuban Government, by a decree dated November 30, 1934, prohibited the exportation of alcohol and alcoholic beverages to any territory which is believed to be used as a smuggling base. This action was in addition to the requirement already in force, providing for the giving of a bond conditioned on the presentation of a landing certificate showing the arrival of the cargo at its declared destination. This has effectively prevented the shipment of alcohol and alcoholic products from Cuba intended for smuggling into the United States, both directly as well as by means of transshipment in a port of another country.

On February 16, 1934, the British Government instituted in Newfoundland the following regulations which have prevented the further use of the port of St. John's as a smuggling base:

1. Clearance of vessels for "the high seas" with cargoes of spirits is prohibited.
2. No liquor may be exported from any port of Newfoundland in a vessel of less than two hundred tons.
3. A bond in double the amount of the import duty must be given for the production of a landing certificate covering any liquor exported from or transshipped in any port of Newfoundland.

[41] By despatch No. 462, May 16, the Chargé in Belgium reported that on May 10 the Belgian Ministry informed the American Embassy that, according to a communication from the Ministry of Finance, Belgian legislation did not prohibit vessels clearing from ports of the Kingdom with cargoes of liquor or alcohol from discharging such cargoes into other vessels on the high seas (811.114 Belgium/139).

Bermuda has a law requiring the giving of a bond in an amount triple the import duty, conditioned upon the presentation of a landing certificate showing the arrival of the spirits at their declared destination. The Government of Bermuda, furthermore, has expressed its determination that the Island shall not become a base for the operation of smugglers. In addition, we have been informally assured by the British Government that, should smuggling develop in any of the other British West Indies, similar regulations to those instituted in Newfoundland will be placed in effect wherever necessary.

The French Government, within the last two weeks, has adopted regulations similar to those in effect in Newfoundland to prevent the use of St. Pierre-et-Miquelon as a base of operations for liquor smugglers. It is confidently believed that these regulations will be effective in closing the port of St. Pierre to the unprincipled persons who have heretofore used it for many years as a smuggling base.

The matter of preventing the use of Puerto Barrios by those engaged in smuggling alcohol and liquors into the United States has been taken up with the Government of Guatemala and it is believed that a favorable reply will be received.

The Canadian Government had previously taken effective measures to prevent the use of its territory as a smuggling base. There has been in effect in Canada for a number of years a requirement that a bond for the production of a landing certificate be given in all cases in which liquors are exported from or transshipped in ports of Canada, and this was implemented in 1930 by a law prohibiting the exportation of alcoholic beverages to any country where their importation is forbidden. With the repeal of the 18th Amendment this law no longer applied to the United States, but in order to guard against any attempts to smuggle, the Canadian Government took the further step of permitting no liquors to be released from warehouses for shipment to the United States except upon the presentation of an invoice certified by an American consular officer, showing that the liquor will be legally imported.

This Government has, therefore, succeeded, with the cooperation of foreign governments, in eliminating practically all of the chief bases from which alcohol and alcoholic beverages have been smuggled into the United States for several years. Those engaged in this illicit traffic will therefore be compelled to seek other fields from which to operate and Mexico remains practically the only country from which it could be done successfully. It is most likely, therefore, that the smugglers will make an effort to transfer their operations to Mexican ports.

Shortly before the Cuban decree prohibiting the exportation of alcohol and alcoholic beverages to smuggling bases was promulgated, preparations were actively in progress for large scale operations

involving the Island of Cozumel, Mexico, the chief port of which, it is understood, had recently been made a free port. Several steamships with large cargoes of alcohol were expecting to leave Habana for Cozumel where the cargoes were to be landed and later loaded on smuggling vessels. One of these steamships succeeded in leaving Habana before the decree was placed in effect. There are enclosed two copies of a letter, one of which may be forwarded to the Mexican authorities, advertising Cozumel as a smuggling base. The advantages arising from the fact of its being a free port, with no landing certificate requirements, and, furthermore, that there is at present no restriction against the transshipment of alcohol and alcoholic beverages from abroad, would appear to make it most desirable as a base of operations for the illicit liquor traffic.

The island of Contoy, off the coast of Yucatan, has also served from time to time as a port of transshipment for liquors to be smuggled into the United States. Other reports, just received, indicate that fishing vessels are surreptitiously taking on cargoes of spirits at a point on the Gulf coast a few miles south of the Rio Grande River. Furthermore, vessels with cargoes of alcohol and liquors destined for smuggling into the United States have been leaving from Ensenada and other ports on the west coast of Mexico for some time and it is believed that this traffic will increase in the near future, due to the closing of other bases of operation.

In view of this situation you are requested to take up the matter with the appropriate Mexican authorities, pointing out the cooperation which has been received from the Governments of Great Britain, France, Canada, and Cuba, as the result of which those engaged in liquor smuggling have been driven from their former strongholds and will undoubtedly seek to establish themselves on Mexican territory. This Government does not believe that the Mexican Government will wish to lend its aid and assistance, and the facilities of its ports, to these lawless individuals, who are a menace to the order and good government of all countries as they will violate the laws of any country if it is to their financial interest to do so.

You should, therefore, express the earnest hope that prompt action will be taken by the Government of Mexico to prevent the use of Mexican territory for these illegal operations. The following measures, which are similar to those adopted by the British Government in Newfoundland and by the French Government in St. Pierre-et-Miquelon, would be most helpful in this connection:

1. Refuse clearance from any port of Mexico to any vessel or vehicle with a cargo of alcohol or alcoholic liquors destined for "the high seas".

2. Refuse clearance from any port of Mexico to any vessel or vehicle of less than two hundred tons, net, loaded with alcohol or alcoholic liquors, destined for a foreign port or place.

3. Require the production of a landing certificate, under penalty of a bond in a suitable amount (for example, in Newfoundland the amount of the bond required is $11.60 a proof gallon), to insure the arrival at its declared destination of any alcohol or alcoholic beverages exported by land or water from Mexico, or transshipped in any port thereof.

If, in addition, the provisions of Circular No. 21—30—293 dated September 20, 1929, issued by the Ministry of Finance, prohibiting the reexportation and transshipment of spirits entering Mexico from abroad, could be reestablished, there would appear to be very little likelihood that Mexican territory would afford a foothold for the unscrupulous individuals engaged in the smuggling traffic.

You may assure the Government of Mexico that its cooperation in this matter will be greatly appreciated.

The result of your representations will be awaited with interest.[42]

Very truly yours, For the Secretary of State:
SUMNER WELLES

811.114 Guatemala/80 : Telegram

The Secretary of State to the Minister in Guatemala (Hanna)

WASHINGTON, May 23, 1935—5 p.m.

17. Your despatch No. 640, May 8, 1935.[43] We are disappointed at the delay in receiving a definite reply from the Guatemalan authorities. Please inform them that French Government has now closed St. Pierre-Miquelon to the smuggling traffic, effective May 15, and that we hope for an early and favorable reply stating that the Government of Guatemala will take prompt steps, in line with those already taken by Canada, Cuba, Great Britain and France, to prevent the further use of its territory as a smuggling base.

HULL

[42] During subsequent months, the Embassy kept the Department informed of its correspondence and conversations with Foreign Office officials on this subject. Finally the Chargé noted in despatch No. 3146 of December 23, 1935, "that to date no satisfactory progress has been made, although the Embassy has received various assurances from officials of the Foreign Office to the effect that the Mexican Government was willing to coöperate with the United States in order to curb smuggling and had instigated studies to determine the most effective method which it could adopt." (811.114 Mexico/402)

[43] Not printed.

811.114 Guatemala/84

The Minister in Guatemala (Hanna) to the Secretary of State

No. 667 GUATEMALA, May 31, 1935.
[Received June 5.]

SIR: Supplementing my telegram No. 27, of May 29, 1935,[43a] I have the honor to transmit herewith [43a] a copy and translation of a note dated May 29, from the Minister for Foreign Affairs wherein he transcribed the communication of May 27, from the Minister of Hacienda and Public Credit which stated that, pending a study of the method definitely to counteract the activities which have been taking place from Puerto Barrios as base of operations for the smuggling of alcohol into the United States, the competent customs officials at the port just mentioned had been instructed that after June 11, next, they may neither receive nor clear alcohol or alcholic beverages in international transit. The Minister also pointed out the amount of customs revenues from said traffic during 1934 and the first four months of the present calendar year.

While I have no definite information as to what final method may be devised by the local authorities to cooperate in the suppression of the smuggling operations which have been carried on from Puerto Barrios for some time past, it is not unlikely that they will adopt one of the procedures, or a modification thereof, suggested in the Department's instruction No. 176, of April 5, the contents of which I brought to the attention of the Government of Guatemala.[44]

Respectfully yours, MATTHEW E. HANNA

811.114 Belgium/140

The Secretary of State to the Chargé in Belgium (Sussdorff)

No. 230 WASHINGTON, June 20, 1935.

SIR: A telegram has just been addressed to you [45] referring to your despatch No. 462 of May 16, 1935,[46] in which you reported that there is no law in Belgium prohibiting the transfer of cargoes on the high seas which have been loaded in a Belgian port, and stating, in effect, that those engaged in the illicit liquor traffic are taking advantage of this situation for the purpose of obtaining cargoes of alcohol to be smuggled into the United States.

The Norwegian steamship *Anders* cleared from Antwerp on May 11, 1935, with 5,085 cases of alcohol consigned to St. Pierre-Miquelon.

[43a] Not printed.
[44] By despatch No. 317, July 13, 1936, the Minister reported that "smuggling from Puerto Barrios has ceased". (811.114 Guatemala/90)
[45] Presumably refers to telegram No. 39, June 20, 7 p.m., not printed.
[46] See footnote 41, p. 415.

This alcohol was discharged on the high seas, twenty-four miles from St. Pierre-Miquelon, on May 30, 1935, into a smuggling vessel which is now hovering off the coast of the United States.

The Danish steamship *Jan* sailed from Antwerp on June 12, 1935, with 4,000 cases of alcohol, ostensibly destined for St. John's, Newfoundland. However, there is no market in Newfoundland for alcohol and the regulations at present in effect make smuggling from there practically impossible, hence the alleged destination of this cargo is undoubtedly false and it is also destined for the smuggling trade.

You are requested to take this matter up with the Belgian Government, pointing out that the officers of the American Government charged with the prevention of smuggling into the United States had hoped that, with the repeal of the Eighteenth Amendment, problems in connection with the smuggling of liquor into the United States would disappear. Partial cessation of shipments of illicit liquor into this country during the first three months following repeal seemed to indicate that these hopes would be realized, but it soon became evident that alcohol was taking the place of the assorted liquors formerly carried and the traffic again reached serious proportions.

Within the past six months, the bases of operations from which the greater part of the smuggling of alcohol and liquors into the United States has been carried on have gradually been closed. The Cuban Government, by a decree dated November 30, 1934, prohibited the exportation of alcohol and alcoholic beverages to any territory which is believed to be used as a smuggling base. This action was in addition to the requirement already in force, providing for the giving of a bond conditioned on the presentation of a landing certificate showing the arrival of the cargo at its declared destination. This has effectively prevented the shipment of alcohol and alcoholic products from Cuba intended for smuggling into the United States, both directly as well as by means of transshipment in a port of another country.

On February 16, 1935, the British Government instituted in Newfoundland the following regulations which have prevented the further use of the port of St. John's as a smuggling base:

1. Clearance of vessels for "the high seas" with cargoes of spirits is prohibited.
2. No liquor may be exported from any port of Newfoundland in a vessel of less than two hundred tons.
3. A bond in double the amount of the import duty must be given for the production of a landing certificate covering any liquor exported from or transshipped in any port of Newfoundland.

Bermuda has a law requiring the giving of a bond in an amount triple the import duty, conditioned upon the presentation of a landing certificate showing the arrival of the spirits at their declared destination. The Government of Bermuda, furthermore, has expressed its

determination that the Island shall not become a base for the operation of smugglers. In addition, we have been informally assured by the British Government that, should smuggling develop in any of the other British West Indies, similar regulations to those instituted in Newfoundland will be placed in effect wherever necessary.

The French Government has issued a decree adopting regulations similar to those in effect in Newfoundland to prevent the use of St. Pierre-Miquelon as a base of operations for smugglers. This decree became effective May 15, 1935. The new regulations have prevented the clearance of vessels with cargoes of alcohol or alcoholic beverages destined for smuggling into the United States.

The Government of Guatemala has issued instructions to customs officers at Puerto Barrios that, after June 11, 1935, they may neither receive nor clear alcohol or alcoholic beverages in international transit pending a study of a method definitely to counteract the activities which have been taking place from that port as a base of operations for the smuggling of alcohol and alcoholic beverages into the United States.

The Canadian Government had previously taken effective measures (1) by requiring bonds for the production of landing certificates, and (2) by requiring the presentation of a consular invoice before allowing spirits consigned to persons in the United States to be released from a bonded warehouse for shipment to this country, in order to prevent the use of its territory as a smuggling base.

This Government has, therefore, succeeded, with the cooperation of foreign governments, in eliminating practically all of the chief bases from which alcohol and alcoholic beverages have been smuggled into the United States for several years. Those engaged in this illicit traffic will therefore be compelled to seek other means of accomplishing their illegal ends. The recent activities of the vessels *Anders* and *Jan* indicate that the smugglers are now arranging to receive their cargoes directly from steamers on the high seas. This confirms a report received by the Intelligence Officers of this Government shortly after the closing of St. Pierre-Miquelon to the illicit liquor traffic.

You are therefore requested to point out to the Belgian Government that, by permitting clearances such as those of the vessels *Anders* and *Jan*, Belgium is lending aid and assistance to persons engaged in violating the laws of the United States. Furthermore, the alcohol thus smuggled is made up into cheap liquors and forms an important factor in competing with legal liquors of both domestic and foreign origin. It is believed that the benefits derived by the people and Government of Belgium from this illicit trade are negligible and would not, in any event, compensate for the injury inflicted upon a friendly country.

You should express the hope that a system may be adopted requiring bonds in sufficient amount for the production of landing certificates to insure the arrival at their declared destinations of the cargoes of alcohol or alcoholic beverages shipped from Belgium ports. You may add that such action, or some other effective means of control, would be greatly appreciated by the Government of the United States.

The result of your representations will be awaited with interest.

Very truly yours, For the Secretary of State:
WILBUR J. CARR

811.114 Norway/15c

The Secretary of State to the Minister in Norway (Philip)

No. 300 WASHINGTON, July 5, 1935.

SIR: Information has been received that the Norwegian steamship *Anders* cleared from Antwerp, Belgium, May 11, 1935, for London; St. John's, Newfoundland; Sorel, Montreal, Toronto and Hamilton, Canada; and Cleveland, Ohio, with 5,085 cases of alcohol. The *Anders* arrived at St. John's on May 28, 1935, direct from Antwerp with the cargo of alcohol on board, 5,047 cases of which were consigned to "R" and 38 cases to order at St. Pierre-Miquelon. The vessel was due to leave for St. Pierre-Miquelon on the evening of May 29. However, at noon on May 28 it cleared for Montreal with the 5,085 cases of alcohol still on board. The *Anders* arrived at Montreal on June 5, 1935, without the alcohol and the Captain admitted that it had been transferred on the high seas to a motor vessel, the name of which was covered. The vessel to which the alcohol was transferred was undoubtedly the British smuggling vessel *Augusta and Raymond* which had cleared in ballast from Halifax, Nova Scotia, Canada, on May 28, 1935, for Bermuda, with ten extra barrels of fuel oil. The transfer was effected on May 30, 1935, at a point approximately twenty-four miles from St. Pierre-Miquelon and the *Augusta and Raymond* was subsequently found by United States Coast Guard vessels apparently heavily loaded. The *Augusta and Raymond* has been under observation by the enforcement authorities of this Government for several years.

The action of the Norwegian steamship *Anders* in thus assisting in the smuggling of alcohol into the United States by discharging its cargo on the high seas to a vessel which is engaged in the smuggling traffic would appear to be contrary to Sections 1 and 2 of the Norwegian law of June 25, 1926, concerning the participation by Norwegian ships in smuggling into foreign countries. A translation of this law

was forwarded with the Legation's despatch No. 725 of January 18, 1926,[47] and reads as follows:

"Section 1.

"The shipowner or agent who uses a Norwegian ship in smuggling into a foreign country shall be punished by a fine.

"A shipowner or agent who rents a Norwegian ship or allows it to convey freight when he knows or should know that the charterer or shipper intends to use it for smuggling into a foreign country, shall be punished in the same way.

"Section 2.

"Under this law it will be deemed smuggling when a ship's cargo is discharged at sea outside the customs limits of another country under such circumstances that there is overwhelming evidence that the cargo was to be smuggled in.

"Section 3.

"The profits made by this unlawful trade can be confiscated by the courts and taken away from the guilty or from the person or persons on whose account he operated.

"Section 4.

"This law is to come into force immediately."

You are requested to take up the matter with the appropriate Norwegian authorities and to request that an investigation be made and, if the facts warrant it, that appropriate action be taken against those responsible under the Norwegian law quoted above.

Very truly yours, For the Secretary of State:
WILLIAM PHILLIPS

811.114 Canada/4996

The Acting Secretary of State to the Consul General at Ottawa (Beck)[48]

WASHINGTON, July 29, 1935.

SIR: With reference to the instruction dated October 24, 1934,[49] respecting the making of affidavits by masters of vessels arriving at Canadian ports from any port or place outside of Canada, there is enclosed a copy of a letter from Acting Secretary Coolidge, of the

[47] Despatch No. 725 not printed.

[48] For previous correspondence between American and Canadian officials with respect to liquor smuggling, see *Foreign Relations*, 1930, vol. I, pp. 488 ff.; *ibid.*, 1929, vol. II, pp. 48 ff.; *ibid.*, 1925, vol. I, pp. 573 ff.; *ibid.*, 1924, vol. I, pp. 188 ff.

[49] Not printed.

Treasury,[50] suggesting that it would be helpful to the enforcement officers of both Canada and the United States, as well as in protecting the interests of Canadian distillers in the home market and in their exports to the United States, if the masters of liquor vessels could be compelled to include in their affidavits additional information which would indicate more specifically the disposition made of the cargo of alcohol or liquor transferred to another vessel.

In view of the joint efforts now being made to stop the smuggling of alcohol and alcoholic beverages into the United States and Canada (as you probably know, the United States Coast Guard and the Royal Canadian Mounted Police are cooperating very closely in this regard) you are requested, in your discretion, to take up the matter informally and orally with the appropriate Canadian authorities and to report the result of their consideration thereof.

Very truly yours, WILLIAM PHILLIPS

811.114 British Honduras/191

The British Ambassador (Lindsay) to the Secretary of the Treasury (Morgenthau)[51]

WASHINGTON, July 31, 1935.

MY DEAR MR. SECRETARY: You will doubtless recall that during Mr. Osborne's discussions with officers of your Department regarding measures which might be taken by the various British West Indian Colonies to assist the United States authorities in the suppression of liquor smuggling, it was suggested to Mr. Osborne that such measures might include the refusal of clearance for the high seas and the exaction of landing certificates.

2. These proposals were communicated to the Colonial Governors concerned and I am now happy to be able to inform you of the steps which have been taken to meet the wishes of the United States Government.

3. The Governors of the Barbados and British Honduras have issued instructions to the effect that clearance for the high seas will not be permitted in the future, while the Governor of Bermuda reports that it is the ordinary practice for clearance to be refused unless the port and country of destination are declared, and adds that instructions have been issued that there should be no departure from this practice. Finally, the Governor of Bahamas has given an as-

[50] Dated July 19, 1935, not printed.

[51] Copy transmitted to the Under Secretary of State by the British Ambassador with his letter of August 1 (not printed).

surance that the "high seas" has never been accepted as the legitimate destination of cargo.

4. With regard to the request that a bond should be exacted on shipments of liquor, which would be redeemable by the production of a landing certificate issued by the appropriate authorities at the port of destination, the Governor of Barbados has undertaken to adopt the necessary arrangements as has also the Governor of British Honduras, though the latter proposes to exempt small craft engaged in the regular trade as this trade would otherwise be seriously affected. The craft in question are understood to be too small to be engaged in trade with the United States.

5. In Bermuda the bond system is already in operation in respect of goods exported from a warehouse and it is my understanding that the United States authorities are satisfied that it is being adequately enforced.

6. The case of the Bahamas is different in that the introduction of a bond and landing certificate system cannot be effected by an order on the part of the Governor, but only by local legislation and, according to a report from the Governor, any measure for introducing this system would be certain to be thrown out by the Legislature. Any introduction of the system in these islands is therefore considered impracticable.

7. On the other hand, conditions in the Bahamas are also peculiar, in that on all liquor imported into the Islands the whole duty is payable, whether that liquor is consumed or re-exported and whether it is kept in bond or in open stocks. No drawbacks are granted for export purposes. Any liquor exported from the Bahamas has therefore been subjected to one set of customs duties already, a fact which renders smuggling from the Bahamas appreciably less remunerative than smuggling from any place where storage in bond free of duty or a drawback on exports is allowed. In other words, the conditions which the bond system was devised to resist—i. e. re-export for smuggling purposes of liquor which has paid no duty—do not exist in the Bahamas.

8. The Governor of Bahamas has the impression, which is confirmed by the most recent reports of the United States Coast Guard, that the smuggling of liquor from the Bahamas into the United States is at present almost non-existent. The Government of the Bahamas are however very willing, as are the Governments of the other British West Indian Colonies, to cooperate energetically with the United States authorities for the suppression of smuggling and they are prepared to ensure that the existing means of suppression will be fully exploited and rigorously applied.

9. I would add in this connexion that the British West Indian Colonies have been invited by the Colonial Office to communicate to local United States Consular Officers information about the movements of 'interesting cargoes' on lines precisely similar to those adopted by the United Kingdom Customs Authorities. It is understood that these arrangements are working satisfactorily. Indeed the most recent reports would seem to show that the efforts made both in Newfoundland and in the West Indies to assist the United States authorities have been gratifyingly effective.

10. I am sending a copy of this letter to Mr. Phillips at the State Department in view of an enquiry which I have recently received from him.[53]

Believe me [etc.] R. C. LINDSAY

811.114 British Honduras/191

The Secretary of the Treasury (Morgenthau) to the British Ambassador (Lindsay)[54]

WASHINGTON, August 5, 1935.

MY DEAR SIR RONALD: I have received with appreciation your letter of July 31st in which you recount the steps which have been taken in the various British possessions in this hemisphere to prevent the smuggling of alcohol and liquor into the United States.

Without commenting in detail on the action which has been taken in the various colonies, I may say that we are greatly impressed with the evident desire of your Government to cooperate with us and assist us in the suppression of illicit traffic. I hope that we may feel free to discuss with you in an informal way from time to time any problems which may arise in connection with possible illicit shipments from particular localities.

I desire to express to you my very deep appreciation of your helpful cooperation in this matter.

With renewed thanks [etc.] H. MORGENTHAU JR.

811.114 Belgium/145

The Secretary of State to the Ambassador in Belgium (Morris)

No. 256 WASHINGTON, August 9, 1935.

SIR: The receipt is acknowledged of your despatch No. 506 of July 24, 1935,[53] enclosing a copy and translation of a note from the Belgian

[53] Not printed.

[54] Copy transmitted to the Department of State by the Treasury Department.

Foreign Office stating, with reference to the adoption of a system of landing certificates or other method of control in order to prevent the use of Belgian ports as bases for the smuggling of spirits into the United States, that the considerations mentioned in a previous note [55] still prevail.

The decision of the Belgian authorities in this matter has been noted with regret. However, it is hoped that, as stated in the note from the Foreign Office, they may be able to find some means of offering indirect assistance to this Government in the suppression of alcohol smuggling.

In this connection you are requested to inform them that the steamer *Trajan* (presumably the Norwegian steamer of that name) left Antwerp, July 25, 1935, for St. Pierre-Miquelon and St. John, New Brunswick, after having loaded at Antwerp 14,838 cases of alcohol which is undoubtedly intended for smuggling into the United States.

Copies of your despatch and its enclosures have been forwarded to the Secretary of the Treasury and the American Consul General at Antwerp, Belgium.

Very truly yours, For the Secretary of State:
WILLIAM PHILLIPS

811.114 Mexico/375

The Ambassador in Mexico (Daniels) to the Secretary of State

No. 2850 MEXICO, August 27, 1935.
[Received September 3.]

SIR: With reference to my despatch number 2808 of August 15, 1935,[56] I have the honor to report that Mr. Sierra of the Foreign Office telephoned today to say that they had just received a report from the Ministry of Finance in the matter of the liquor suspected of being destined for Cozumel Island for trans-shipment to the United States.

According to this report, the Minister of Finance had ordered a study of Mexican laws and regulations to determine to what extent Mexico could comply with our suggestion, but unfortunately the Minister was without authority to impose the tax as had been done in Belize; furthermore, his authority to act was limited by the fact that Cozumel is a free zone.

Mr. Sierra said that, while in this instance it was unfortunately impossible to act, the Mexican Government was disposed to coöperate in the prevention of this illicit traffic. He suggested that the Em-

[55] *Note verbale* dated September 18, 1929, transmitted in the Embassy's despatch No. 488, September 19, 1929; the *note verbale* contained the statement that "it would not seem possible to exact from ships the obligation, in the cases in question, of producing a landing certificate." (811.114 Belgium/128)

[56] Not printed.

bassy obtain from the American authorities full details as to the methods used in these cases, together with any suggestions that we might see fit to make based on our own experience in these matters, with a view to determining the most effective manner in which the Mexican Government could coöperate. Mr. Sierra suggested tentatively that an exchange of notes between the two Governments might serve the purpose.

I reminded Mr. Sierra that the problem of preventing the use of Mexican territory as a base for the smuggling of alcohol into the United States had been presented in detail in note number 1108 of May 3, 1935, under instructions from Washington (see Department's instruction number 722 of April 27, 1935); that it was my understanding that the matter had been considered in the Cabinet; and that as yet no reply had been received to our communication other than that the matter was under consideration by the Treasury authorities. I added that I believed the smuggling operation in question was typical of the situation for the curbing of which we had requested coöperation from the Mexican authorities.

Respectfully yours, JOSEPHUS DANIELS

811.114 Canada/5013

The Consul General at Ottawa (Beck) to the Secretary of State

No. 732 OTTAWA, September 20, 1935.
[Received September 23.]

SIR: I have the honor to refer to the Department's instruction of July 29, 1935, File No. 811.114 Canada/4996, concerning the proposal that masters of liquor vessels arriving at Canadian ports be compelled to furnish additional information to indicate more specifically the disposition of alcohol or liquor transferred to another vessel.

In my despatch No. 717 of August 22, 1935,[57] I reported that the matter was receiving consideration by the Canadian authorities. I am now in receipt of a communication from the Assistant Commissioner of Customs, dated September 18, 1935, reading in part as follows:

"Consideration has been given to these suggestions and as to the powers contained in the Customs Act to require a master to supply such information on his report inwards. I am enclosing a draft of a new memorandum to supersede Circular No. 632–C and Memorandum No. 799, of which you have copies on your file. I should be glad to receive any suggestions from you as to whether in your opinion this fully covers the suggestions made in the memorandum referred to, and

[57] Not printed.

would also like to be assured that the United States authorities would be willing to comply with any corresponding requests for information that might be made on behalf of Canadian services".

A copy of the enclosure which accompanied the letter from the Assistant Commissioner of Customs is being transmitted herewith.[58] Copies of Circular No. 632–C and Memorandum No. 799, referred to in the above excerpt were forwarded to the Department with my despatch No. 717 of August 22, 1935.

The Department's comments on the inquiries raised by the Assistant Commissioner of Customs are respectfully requested.

Respectfully yours, WILLIAM H. BECK

811.114 Belgium/147

The Danish Ministry for Foreign Affairs to the American Legation in Denmark [59]

[Translation]

NOTE VERBALE

By its Note Verbale of July 26th last, the Legation of the United States of America requested to be informed by the Ministry of Foreign Affairs whether the vessel *Jan*, from which a cargo of alcoholic beverages was, between the 1st and 3rd of the same month, transferred on the high seas to two American vessels engaged in smuggling, was guilty of an illicit act in violation of Danish law; and, if so, respectfully asked for an investigation of the matter, looking to appropriate action being taken against those responsible.

After taking up the matter with the competent Danish authorities the Ministry of Foreign Affairs has the honor to make known to the Legation that its findings are in the negative; in view of the fact that from the information available the said transfer did take place on the eastern coast of America to some American ships, it is therefore not found that the act in question is governed by the provisions of Article 1 of Law No. 85 of March 31, 1931, which relates only to the employment of a Danish vessel engaged in the organized smuggling of alcoholic goods destined to a State having ratified the Convention signed at Helsingfors the 19th of August, 1925,[60] for the repression of the smuggling of alcoholic products.

COPENHAGEN, September 20, 1935.

[58] Not printed.

[59] Transmitted to the Department by the Chargé in Denmark in his despatch No. 390, September 28; received October 12.

[60] League of Nations Treaty Series, vol. XLII, p. 73.

811.114 Belgium/145a: Telegram

The Secretary of State to the Ambassador in Belgium (Morris)

WASHINGTON, October 3, 1935—1 p.m.

69. Commander B. M. Thompson, a representative of the Treasury Department, will visit Brussels in the near future to discuss question of obtaining cooperation in preventing shipments of alcohol from Belgium destined for smuggling into United States.

Please extend appropriate assistance and inform consular officers at Antwerp and Rotterdam.

HULL

811.114 Netherlands/43b: Telegram

The Secretary of State to the Minister in the Netherlands (Emmet)

WASHINGTON, October 8, 1935—6 p.m.

47. Commander B. M. Thompson, a representative of the Treasury Department, will visit you in near future to discuss question of obtaining cooperation of Netherlands Government in prevention of alcohol and liquor smuggling. Please extend appropriate assistance.

With reference to your despatch No. 148, January 24, 1935 after discussing matter with Commander Thompson endeavor, in your discretion, to have Netherlands Government extend provision requiring bonds for production of landing certificate to include all vessels carrying spirits to any country. Present system of withholding information regarding exports of spirits facilitates smuggling and reduces legitimate exports. Bonds for production of landing certificates now required by Canada, Cuba, British West Indies, Newfoundland, British Honduras, and St. Pierre-Miquelon, leaving European ports as main sources of alcohol for smuggling traffic.

HULL

811.114 Belgium/150

The Ambassador in Belgium (Morris) to the Secretary of State

No. 599 BRUSSELS, October 16, 1935.
[Received October 25.]

SIR: Referring to the Department's telegram No. 89 [*69?*], of October 4 [*3?*], 1935, I have the honor to report that Commander B. M. Thompson, of the United States Treasury Department, called at the Embassy on October 7 to discuss the question of obtaining the coop-

eration of the Belgian Government in preventing shipments of alcohol from Belgium destined for smuggling into the United States. Commander Thompson spent October 7 and 8 studying the question in collaboration with the Embassy and the Consulate General at Antwerp.

In the course of a conversation with Mr. Paul van Zeeland, Belgian Prime Minister and Minister for Foreign Affairs, on October 7, I had occasion to mention Commander Thompson's visit and the importance which the United States Government attaches to the question of securing the Belgian Government's cooperation in preventing shipments of alcohol destined for smuggling into the United States.

A member of my staff (Mr. Sussdorff) arranged for Commander Thompson to call at the Belgian Foreign Office on October 9, and accompanied him on that occasion. Commander Thompson was presented first to Mr. van Langenhove, Secretary General of the Foreign Office, and then to Mr. Costermans, Chief of the Administrative Section. Mr. Costermans has convoked Mr. Lebon, Inspector-General of Customs, an official at the Belgian Ministry of Finance, and Mr. Kestens, of the Belgian Marine Department, for a discussion with Commander Thompson.

At this meeting in Mr. Costermans' office, Commander Thompson outlined orally the point of view of the United States Government concerning the importance of obtaining the cooperation of the Belgian Government. His argumentation, though much more detailed, was entirely in accord with that contained in the Department's instructions Nos. 230, of June 20, 1935, and 242, of July 10, 1935, to this Embassy.[61] The Belgian officials asked Commander Thompson to reduce his arguments to writing, which he did on the following day in the form of a memorandum, copies of which are enclosed.[62]

After Commander Thompson had finished the verbal presentation of his case, Mr. Lebon outlined the position of the Belgian Government in regard to the institution of landing certificates for alcohol shipped from Belgium to the United States, as follows:

1. The importing country—not the exporting country—should take the necessary defensive measures to protect itself against the fraudulent entry of merchandise.

2. Belgium has passed legislation concerning the export of alcoholic liquors to contiguous countries in order to protect its own revenues from frauds which might arise through the shipment of alcohol to border countries and its subsequent re-importation into Belgium without payment of the excise tax. This legislation could not be extended to cover alcohol shipped to the United States without submitting the matter to the Belgian Parliament. The Belgian Parliament would

[61] Latter not printed.
[62] Not printed.

never pass special legislation covering the shipment of Belgian alcohol to the United States, because it is against the interest of Belgian industry. In this connection, Mr. Lebon laid great emphasis on the fact that the exportation of alcohol from Belgium is legal: it is the importation of this alcohol into the United States in the way it is done that is illegal. Consequently, Mr. Lebon contended, the United States—not Belgium—must take the necessary measures to protect itself against the illegal entry of this alcohol.

3. If a system of landing certificates with bond were instituted by the Belgian Government, it would be necessary for the Belgian Government to pass legislation covering all countries—not the United States alone. If legislation applied only to the United States, exporters would ship alcohol to Norway, Spain, Brazil or some other country, and it would be re-exported to the United States. Legislation covering all countries is impossible, as it would ruin legitimate, as well as illegal, trade.

4. There can be no effective check on exports. Examination of all exports would simply drive trade away from Antwerp to some other port, such as Rotterdam, Hamburg, or Liverpool. Furthermore, alcohol would be declared as gasoline, etc., and it would be impossible to detect the fraud, as no country examines goods that are intended for export in the same way that it examines imports.

5. The Belgian Government is anxious to promote trade, not to kill it, or to drive it away from Antwerp to Rotterdam, Hamburg or Liverpool.

6. Mr. Lebon said that he was certain that Germany and Holland would not agree to the establishment of landing certificates with bond and that he doubted very much if England would institute such a policy for alcohol shipped to the United States from ports in the British Isles, as distinguished from ports near the frontiers or coasts of the United States. He argued that a great world port, like Antwerp, is entirely different from small ports like St. Johns, Newfoundland, or St. Pierre-Miquelon, where everybody knows what everybody else is doing.

At the second meeting of the same persons (at which Mr. Descamps, legal adviser of the Marine Administration, was also present) in Mr. Costermans' office on October 14, 1935, the argument continued along the same lines as at the previous meeting.

With a view to finding a possible solution, Mr. Sussdorff referred to the third paragraph of the Note which the Belgian Ministry of Foreign Affairs addressed to the Embassy on July 23, 1935, which reads as follows:

"However, at the request of the Minister of Transportation, my department is at present engaged in assembling data with a view to finding a means of offering indirect assistance to the United States Government in the suppression of alcohol smuggling,"

and inquired whether the Belgian Government had found any means of offering indirect assistance to the United States. Mr. Lebon replied that the Belgian Government had studied this phase of the question,

but he and Mr. Costermans both admitted that no way of accomplishing the desired end by indirect methods has been found. In this connection, Mr. Lebon also stated that the Governments of Germany and the Netherlands had been informally consulted regarding what they would do if the United States invoked their cooperation in this question; the German authorities had replied categorically that they would not do anything to cooperate; the Netherlands authorities had replied that there is no law in the Netherlands which would enable them to prevent the shipment of alcohol destined for smuggling into the United States. Mr. Lebon added that the Belgian Government was convinced that it is not only against Belgium's interest to institute a system of landing certificates with bond for alcohol destined for the United States, but that it is also certain that if such a system were adopted the alcohol in question would be shipped to the United States from Rotterdam, Hamburg or some other port.

Mr. Lebon said that at the present time the Belgian Government would do nothing which would deflect legal trade from the port of Antwerp. He repeated his contention that the exportation of the alcohol in question from Belgium is legal and that it is the importation of the alcohol into the United States in the way it is done that is illegal. Commander Thompson and Mr. Sussdorff contested the arguments advanced by Mr. Lebon strenuously along the lines of the statements and argumentation contained in Commander Thompson's memorandum and in the instructions from the Department to the Embassy. It was quite obvious to Commander Thompson and to Mr. Sussdorff that the Belgian officials had made up their minds on their policy in advance.

Commander Thompson left Brussels for Paris on October 14 to consult with the Secretary of the Treasury, Mr. Morgenthau. He intends to return to Brussels in the near future, and the Embassy will continue to aid him in seeking to find a satisfactory solution of the alcohol smuggling question.

Respectfully yours, DAVE H. MORRIS

811.114 Belgium/148a : Telegram

The Secretary of State to the Ambassador in Belgium (Morris)

WASHINGTON, October 19, 1935—11 a.m.

74. For Commander Thompson from Hickerson.[63] Inform Belgian and Netherlands authorities that cooperation received from other Governments has practically stamped out large-scale smuggling oper-

[63] John D. Hickerson, Assistant Chief of the Division of Western European Affairs.

ations except for European sources, that smuggling is a menace to all nations, that this Government, under the provisions of the recent Anti-Smuggling Act,[64] is ready and willing to cooperate with other nations in suppressing smuggling.

You might also state that liquor treaties concluded with Belgium in 1927 [*1925*][65] and Netherlands in 1924[66] are evidence of mutual desire to adjust difficulties of this nature by friendly negotiation and that in accordance with these treaties Belgian and Dutch ships were permitted to bring liquor cargoes into our ports; that these countries should now take measures to insure delivery of spirits through lawful trade channels.

During 1934 Belgium exported 12,566 proof gallons alcoholic beverages to the United States, whereas during the first 8 months of present year only 2,289 proof gallons have been imported, indicating that manufacture of cheap liquors made from smuggled alcohol competes with legitimate products. Similar figures for Netherlands are 53,418 and 6,326 proof gallons. The inferior product marketed frequently under Belgian and Dutch trade names is also detrimental to the standing of legitimate products of Belgium and Holland which thereby lose their reputation for quality in the opinion of American consumers.

Furthermore, the cordial relations existing for so many years between United States and Belgium and the Netherlands, together with the "good neighbor" policy of the President, seem to warrant action by those Governments to prevent the use of their ports and facilities in furtherance of the violation of laws of a friendly country.

HULL

811.114 British Honduras/191

The Counselor of the British Embassy (Osborne) to the Secretary of the Treasury (Morgenthau)[67]

WASHINGTON, October 22, 1935.

MY DEAR MR. SECRETARY: You will recall that you were good enough to write to the Ambassador on the 5th August last in regard to the steps taken in the British West Indies to prevent smuggling of liquor into the United States.

I have now been instructed by Sir Samuel Hoare[68] to inform you that His Majesty's Government in the United Kingdom greatly appre-

[64] Approved August 5, 1935; 49 Stat. 517.
[65] *Foreign Relations*, 1925, vol. I, p. 518.
[66] *Ibid.*, 1924, vol. I, p. 200.
[67] Copy transmitted to the Department of State by Mr. Graves of the Treasury Department.
[68] British Secretary of State for Foreign Affairs.

ciate the terms of your letter, and that they remain fully prepared to discuss from time to time with the United States Government in an informal way, any problems which may arise in connection with possible illicit shipments from particular localities.

Believe me [etc.] D. G. OSBORNE

811.114 Belgium/156

The Ambassador in Belgium (Morris) to the Secretary of State

No. 610 BRUSSELS, October 22, 1935.
[Received November 6.]

SIR: I have the honor to refer to the Embassy's despatch No. 599, of October 16, 1935, regarding the negotiations conducted by Commander B. M. Thompson, Special Assistant to the Secretary of the Treasury, in collaboration with the Embassy, with a view to the prevention of shipments of alcohol from Belgium destined for smuggling into the United States.

In this connection, I now have the honor to report that, in view of the apparent unwillingness of the Belgian officials charged with the technical consideration of this question to lend their cooperation, the Embassy and Commander Thompson felt that the best prospect of achieving a successful solution of the problem was through direct representations to Mr. Paul van Zeeland, Belgian Prime Minister and Minister for Foreign Affairs. Accordingly, I presented Commander Thompson to Mr. van Zeeland on October 19, 1935. I availed myself of the occasion to point out again to Mr. van Zeeland the importance which the United States Government attaches to the question and to urge that he use his good offices to seek a satisfactory solution. Commander Thompson explained the case in detail to Mr. van Zeeland and answered the questions addressed to him by the latter. Mr. van Zeeland appeared much interested in the matter and said that he would take over the case and give it his personal attention inasmuch as he had in mind asking the United States for something later on. He added that "one good turn deserves another". Commander Thompson said that he would remain in Belgium for the present, pending the outcome of the case, and would be available for any information Mr. van Zeeland might require. He presented to Mr. van Zeeland a memorandum for his use in considering the subject, a copy of which is enclosed for the Department's information.[69]

Respectfully yours, DAVE H. MORRIS

[69] Not printed.

811.114 Canada/5026

The Assistant Secretary of the Treasury (Gibbons) to the Secretary of State

WASHINGTON, October 28, 1935.

SIR: Receipt is acknowledged of your letter of October 1, 1935,[70] your file WE 811.114 Canada/5013, transmitting a copy of a despatch from the American Consul General at Ottawa embodying an excerpt from a communication from the Assistant Commissioner of Canadian Customs relative to the promulgation of a requirement that additional information be furnished by masters of certain vessels to indicate more specifically the disposition of alcohol or liquor transferred to other vessels.

The Assistant Commissioner of Canadian Customs asks whether the various data required of masters when arriving at Canadian ports, as outlined in a memorandum to supersede Circular N. 632–C and Memorandum No. 799 fully covers the suggestions made by you at the request of this Department in its letter of July 19, 1935,[70] and whether assurance could be given that United States authorities would be willing to comply with corresponding requests for information that might be made on behalf of Canadian services.

This Department is of the opinion that the proposed memorandum prepared by the Canadian Commissioner of Customs covers the suggestions made by this Department in its letter of July 19, 1935.

I have to state that officers of this Department will be pleased to comply with requests of Canadian authorities for such information as may be available regarding similar matters.

By direction of the Secretary:

Respectfully, STEPHEN B. GIBBONS

811.114 Norway/16a : Telegram

The Secretary of State to the Minister in Norway (Biddle)

WASHINGTON, November 12, 1935—4 p.m.

16. No reply received to instruction No. 300, July 5, 1935. Telegraph action taken. Endeavor expedite reply and inform Norwegian Government also that Norwegian steamer *Trajan* unloaded nearly 15,000 cases alcohol on high seas into four or five smuggling vessels in August, and that Norwegian steamer *Reidun* is at present unloading nearly 20,000 cases alcohol on high seas into smuggling vessels. Several United States Coast Guard vessels are standing by, observing procedure.

[70] Not printed.

Suggest action of Norwegian vessels appears to be contrary to Norwegian law regarding participation in smuggling directed against foreign country.

Details of unloading contained in instruction No. 13, November 4, 1935.[71]

HULL

811.114 Norway/17 : Telegram

The Minister in Norway (Biddle) to the Secretary of State

OSLO, November 13, 1935—2 p.m.
[Received November 14—4 : 10 p.m.]

25. Department's telegram No. 16, November 12, 4 p.m. Note in *Anders* case, which was sent the Minister of Foreign Affairs July 18, was followed October 17 by oral request for expedition of reply, supplemented by memorandum same date. Oral representations and note regarding *Anders*, *Trajan* and *Reidun* cases made at the Foreign Office today. It has today been ascertained from appropriate official that *Anders* case has been referred by the Ministry of Commerce to the Minister of Justice; that judicial investigation is now being made and that pertinent note will be sent very shortly to the Legation. Despatch follows.[72]

BIDDLE

811.114 Canada/5026

The Secretary of State to the Secretary of the Treasury (Morgenthau)

WASHINGTON, November 18, 1935.

MY DEAR MR. SECRETARY: I have received the letter dated October 28, 1935, from Assistant Secretary Gibbons, with reference to the additional information which Acting Secretary Coolidge suggested in his letter of July 19, 1935,[71] be obtained by the Canadian Government from masters of vessels suspected of being engaged in the illicit liquor traffic.

I note that the Assistant Commissioner of Customs of Canada stated in his communication addressed to the American Consul General at Ottawa that he would

"like to be assured that the United States authorities would be willing to comply with any corresponding request for information that might be made on behalf of the Canadian services",

[71] Not printed.
[72] Despatch No. 38, November 16, not printed.

and that Mr. Gibbons replies, in the letter under acknowledgment, that the Treasury Department

"will be pleased to comply with requests of Canadian authorities for such information as may be available regarding similar matters".

Inasmuch as the request for the additional information desired from masters of suspected liquor smuggling vessels originated with this Government, I feel that we should express our willingness to comply with a "corresponding request" from the Canadian Government unless there is no legal authority to do so. In the latter case would it not be possible to state, for the benefit of the Canadian authorities, more specifically the extent to which this Government could go in meeting a similar request? This would apply particularly to items 4 and 5 of Mr. Coolidge's letter, requesting the following information:

(4) Flag, home port, official number, name, rig, registered owner and master, as shown on license, of the contracting vessel.
(5) Party or parties who ordered him so to unlade the cargo.

Since suspected liquor smuggling vessels from time to time arrive at American ports, it is possible that similar information may be requested by the Canadian authorities regarding transshipments on the high seas for illegal introduction into Canada. Within the past few weeks the liquor vessels *Accuracy*, *Selma K*, *Shenaliam*, and *Pronto* have been in American ports, and the liquor vessel *Apohaqui*, in command of Captain William Crouse, formerly master of the liquor vessel *Tatamagouche*, cleared from St. John, New Brunswick, Canada, for Boston, Massachusetts, on October 12, 1935. It is suggested that you consider whether information regarding the operations of these vessels while at sea in connection with liquor and alcohol smuggling activities directed against the United States, as well as against Canada, might be required of the masters before clearance is granted, in view of the provisions of the recent Anti-Smuggling Act and the decision of the United States Supreme Court in the case of *United States* v. *Ford*, 273 U. S. 593, arising out of the seizure of the British liquor vessel *Quadra*. In that decision there is quoted with approval an excerpt from a decision in the case of *Strassheim* v. *Daily*, 221 U. S. 280, reading in part as follows:

"Acts done outside a jurisdiction, but intended to produce and producing detrimental effects within it, justify a state in punishing the cause of the harm as if he had been present at the effect, if the State should succeed in getting him within its power."

Sincerely yours, For the Secretary of State:
WILLIAM PHILLIPS

811.114 Belgium/178

The Ambassador in Belgium (Morris) to the Secretary of State

No. 641 BRUSSELS, November 18, 1935.
[Received November 26.]

SIR: Referring to my despatch No. 635, of November 16, 1935,[74] and to previous despatches regarding the repeated attempts of the Embassy to induce the Belgian Government to take measures to prevent the shipment of alcohol from Antwerp destined for smuggling into the United States, I have the honor to report that, on November 15, 1935, I called on Mr. Paul van Zeeland, Belgian Prime Minister and Minister for Foreign Affairs and Foreign Commerce, and again urgently invoked his good offices with a view to obtaining a solution of the question.

I told Mr. van Zeeland that my Government attached great importance to the termination of alcohol smuggling; that the Secretary of the Treasury was much concerned and had sent Commander Thompson to Belgium to study the situation and to be of assistance to the Embassy; that I had just received a telegram from my Government[75] stating that the United States Coast Guard Service had caught the *S. S. Reidun* on the high seas, exactly as anticipated, loading its cargo of alcohol into rum-runners; and that now another vessel, the *Bodo*—the second within a month—was coming to Antwerp to load the remainder of the cargo of alcohol for the same purpose. I said that it seemed to me that, as the consignees of the liquor had shown bad faith, the Belgian Government would be justified in preventing the shipment of the second cargo.

Mr. van Zeeland replied that if the shipping papers are in order there is no way in which the shipment of the goods can be prevented, but that if it could be shown subsequently that a false declaration had been made, perhaps some method of punishment might be found. He said that he had made inquiries in Great Britain, France, Germany, and Holland as to what those countries are doing regarding the prevention of the shipment of alcohol and had been informed that none of them have any prohibitions concerning the shipment of alcohol from their European ports and that only England has instituted any control over the shipment of alcohol from a colonial port. Mr. van Zeeland declared that he had no legal power to stop the shipment of alcohol from Antwerp and that if he went to Parliament to seek such power it would refuse to give it to him because it is obvious that if the shipments from Antwerp were prevented the goods would go to

[74] Not printed.
[75] Presumably refers to unnumbered telegram of November 14, noon, to the Consul at Antwerp, not printed.

Rotterdam, Hamburg or some other European port, with a consequent loss to Belgian commerce.

In conclusion, Mr. van Zeeland said that, although his answer must unfortunately be in the negative, he would assume a personal responsibility that if Great Britain, France, Holland, and Germany would agree to institute some system of control of alcohol exports, Belgium would take similar action.

In a note dated November 16, 1935, a copy and translation of which are enclosed,[76] Mr. van Zeeland confirmed the substance of his conversation with me. The Department should note particularly the following paragraph:

"However, I am disposed to comply with the proposals which (Commander Thompson) has made if the measures which he recommends are adopted by the other exporting countries of Europe."

This paragraph is a limitation of the oral promise made to me on November 15, inasmuch as in his conversation with me Mr. van Zeeland only mentioned joint action by "Great Britain, France, Germany and Holland," instead of by "the other exporting countries of Europe."

In transmitting the enclosed note to the Department, I am regretfully obliged to report that I consider that after exhausting all the arguments furnished to it by the Department and by Commander Thompson the Embassy has met with a refusal by the Belgian Government. The Belgian officials from the Prime Minister down to the Inspector-General of Customs and the representatives of the Belgian Merchant Marine service have all advanced the same reasons as to why the Belgian Government cannot comply with the requests made by the United States Government in this matter.

For the Department's ready reference, the Embassy feels that it would be useful to recapitulate briefly the line of argumentation used by the Belgian officials. It may be reduced to the following terms:

1. Belgium has no law which will enable it to prevent the shipment of the alcohol in question from Belgian ports.
2. The Belgian Parliament would be unwilling to pass legislation concerning the institution of a system of control—such as through landing certificates with bond—because other European countries have no such system. The adoption of a system of landing certificates with bond by Belgium would simply drive trade from Antwerp to Rotterdam, Hamburg and other European ports.
3. The exportation of the alcohol from Antwerp is legal: it is the importation of this liquor into the United States in the way in which it is done that is illegal. Consequently, the United States—not Belgium—must take the necessary measures to protect itself against the illegal entry of this alcohol.

[76] Not printed.

4. (Mr. van Zeeland's promise) If the other countries of Europe which export alcohol will agree to institute some system of control of alcohol exports, Belgium will take similar action.

In view of the fact that the various arguments outlined by the Treasury Department and the Department of State have been repeatedly presented to the Belgian authorities by the Embassy and by Commander Thompson, and in view of the categorical refusal by the Belgian Government to accept these arguments, the Embassy feels that it must request new instructions from the Department if further representations are to be made.

Respectfully yours, DAVE H. MORRIS

811.114 Bodo/8 : Telegram

The Secretary of State to the Minister in Norway (Biddle)

WASHINGTON, November 20, 1935—5 p.m.

18. Department's No. 17, November 18, 5 p. m.[77] If you see no objection, request Consulate General to inform Shipping Company Nordfart (Erling Sannes), Bodo, Norway, owners of vessel *Bodo*, that it is expected that *Bodo* will load large quantity alcohol at Antwerp for discharge on high seas into smuggling vessels; that W. A. Shaw, Managing Director of Shaw Steamship Company, Limited, of Halifax, by whom *Bodo* is said to have been chartered, has for several years been connected with the ownership or operation of vessels engaged in smuggling; that Shaw's former shipping agents in Antwerp are said to have requested from his representative guarantee that cargo would be landed at destination, which was refused, and they gave up agency; that by allowing vessel to be used in connection with smuggling they are apparently violating Norwegian law of June 25, 1926. If pressed for reasons for belief cargo will be smuggled state that during past few months four other steamers chartered by Shaw have discharged cargoes on high seas into smuggling vessels. Telegraph reply.

HULL

811.114 Bodo/12 : Telegram

The Minister in Norway (Biddle) to the Secretary of State

OSLO, November 22, 1935—6 p.m.
[Received November 22—1 : 30 p.m.]

27. Department's telegram No. 17, November 18, 5 p.m.[77] and No. 18, November 20, 5 p.m. Owner of Steamship *Bodo* and Oslo agents have been placed on notice by Norwegian Minister of Commerce and

[77] Not printed.

by American Consulate General that Shaw the charterer of vessel may endeavor to use it for purposes illegal under Norwegian law despite provisional time contract providing that *Bodo* shall not be used for unlawful purposes. Oslo agents promise to warn captain to resist any attempt to use vessel for smuggling.

I have approached proper officials of the Ministry Foreign Affairs who have induced above action by Minister of Commerce. However, the Foreign Office doubts authority under the law to instruct Norwegian Consul General Antwerp to withhold sailing documents from *Bodo* in the absence guarantee that cargo will be landed at declared destination. *Bodo* now at Newcastle, England but is about to proceed to Antwerp. While I have met no categorical refusal from the Foreign Office of further cooperation I believe that its officials will not take further action in the hope that owner *Bodo* will cancel contract or demand guarantee from Shaw.

BIDDLE

811.114 Bodo/17 : Telegram

The Minister in Norway (Biddle) to the Secretary of State

OSLO, November 25, 1935—4 p.m.
[Received November 25—12 : 30 p.m.]

28. Department's undated telegram No. 19 [79] received November 23. Have informed the Consul General Antwerp by telegram and letter in the sense directed. Consulate General at Oslo following consultation with me informed Wiley [80] and Thompson in two telephone conversations on Sunday 24th that the owner of *Bodo* and agent had been warned both by him and by the Norwegian Ministries of Foreign Affairs and [Commerce] of danger of violation of Norwegian law through charter vessel to Shaw. Norwegian authorities believe no formal action against *Bodo* possible at the present time since as yet no violation of Norwegian law has taken place. Authorities also consider that there is no present ground for cancellation contract of charter.

Owners will instruct their captain to consult Consul General at Antwerp and under [no] circumstances to permit discharge of cargo elsewhere than at declared destination. Despatch follows.[81]

BIDDLE

[79] Telegram No. 19 read: "Inform Consul General, Antwerp, contents your telegram No. 27, November 22, 6 p. m." (811.114 Bodo/16).

[80] John C. Wiley, Consul General at Antwerp.

[81] Presumably refers to despatch No. 48, November 26, not printed.

811.114 Belgium/178 : Telegram

The Ambassador in Belgium (Morris) to the Secretary of State

BRUSSELS, November 29, 1935—7 p.m.
[Received November 29—1 : 55 p.m.]

94. Embassy's despatch 641, November 18, 1935 re alcohol smuggling. In a conversation with Commander Thompson and me on November 27 Mr. van Zeeland reiterated that he had no legal power to stop the shipment of alcohol from Antwerp but promised that he would give instructions to the authorities at Antwerp to make it as difficult as possible for the alcohol shippers to continue their shipments from Antwerp. The Foreign Office telephoned the Embassy this afternoon that under instructions from the Central Government the port authorities at Antwerp boarded the Norwegian steamship *Bodo* this morning and found that the certificate of navigability was not in order and that the life boats were not in good condition and that this information had been communicated immediately to the Norwegian Consul General at Antwerp for his information and appropriate action. Foreign Office added that the maritime police had found that the agent of the steamship *Bodo* was not a responsible person and that therefore they had made him put up a bond to cover pilotage. Foreign Office also said that the Consul General has been informed that the firm in Antwerp from which the alcohol in question has been bought in the past has received no further orders and that the "people in question" will probably now make their purchases in Hamburg.

MORRIS

811.114 Belgium/173 : Telegram

The Secretary of State to the Ambassador in Belgium (Morris)

WASHINGTON, December 3, 1935—5 p.m.

80. Your despatch No. 641, November 18. Your efforts and those of Mr. Sussdorff to obtain cooperation in suppression of smuggling are greatly appreciated.

Question of approaching other exporting nations receiving consideration.

HULL

811.114 Netherlands/52 : Telegram (part air)

The Chargé in the Netherlands (Wilson) to the Secretary of State

THE HAGUE, December 5, 1935—1 p.m.
[Received December 6—10 a.m.]

88. Department's telegram No. 47, October 8, 6 p.m. Commander Thompson and I discussed question this morning with various Netherlands authorities including Minister of Finance. Commander Thompson submitted memorandum copy of which is being forwarded to the Department.[83] Despite my efforts to keep conversation on an informal basis the Minister of Finance indicated that an official communication would be necessary.

In view of the present inactivity of the port of Rotterdam in connection with the shipments in question does the Department still wish me to make formal request of the Netherlands Government to consider the extension of the existing provision covering small ships (100 tons and under) to include all vessels carrying spirits to any other country.

WILSON

811.114 Netherlands/52 : Telegram

The Secretary of State to the Minister in the Netherlands (Emmet)

WASHINGTON, December 7, 1935—3 p.m.

53. Your No. 88, December 5, 1 p.m. Make formal request as stated in second paragraph, adding that former smuggling bases have gradually been closed and smugglers now compelled to obtain cargoes alcohol in European ports and discharge them on high seas into smuggling vessels; that in order to circumvent this latest move of smugglers and prevent them from getting foothold in Netherlands, we believe it would be mutually desirable if Netherland Government would take action requested, or promise to do so in future if smugglers transfer their operations to Dutch territory.

HULL

811.114 Bodo/65 : Telegram

The Consul at St. Pierre (Gunsaulus) to the Secretary of State

ST. PIERRE, December 18, 1935—2 p.m
[Received 2 : 50 p.m.]

Referring to Department's telegram of December 18th,[83] the following telegram was sent to Halifax by the undersigned:

[83] Not printed.

"December 18, noon. Have been informed unofficially that master of the *Bodo* received instructions from the Norwegian Government not to discharge on the high seas and that the alcohol is still aboard ship, and that providing money for duty is raised it will be unloaded here, also that vessel carries cargo of coal for Maufroy at St. Pierre-Miquelon and that alcohol is on top of coal. Will confirm as soon as possible and will report further developments."

Bodo now at American House pier. I am conferring with Administrator and will report developments.

GUNSAULUS

811.114 Bodo/86

The Secretary of State to the Minister in Norway (Biddle)

No. 23 WASHINGTON, January 2, 1936.

SIR: The receipt is acknowledged of your despatch No. 55, of December 3, 1935,[84] in regard to the threatened use of the Norwegian steamship *Bodo* in connection with the smuggling of alcohol into the United States.

The despatch has been read with interest and a copy thereof has been forwarded to the Secretary of the Treasury for his information.

The *Bodo* arrived at St. Pierre on December 17, 1935, and on December 19 began unloading 9,000 cases of alcohol for which a customs declaration had been filed by "American House", owned by J. B. LeGasse and Company. The remaining alcohol was unloaded on December 21 and, after discharging its cargo of coal, the *Bodo* expected to leave St. Pierre on Monday, December 23, or the following day.

The Secretary of the Treasury expressed his gratification orally to an officer of this Department recently that the alcohol cargo on the *Bodo* was not unloaded on the high seas, as the consignees had undoubtedly intended it should be. This happy result was due to the prompt and efficient action taken by you and the members of your staff and by Consul Higgins, of the Consulate General at Oslo, as well as by the representatives of this Government in Antwerp.

You and Mr. Jefferson Patterson, of your staff, are hereby commended for your effective handling of this case.

A separate instruction [84] is being addressed to Consul Higgins, commending him for his energetic cooperation in this matter.

The prompt action taken by the Norwegian Government and the cooperation of the captain and of the owners and agents of the *Bodo* in

[84] Not printed.

preventing their vessel from being used in this nefarious traffic is most gratifying to this Government and you may, in your discretion, convey a message in the above sense to the appropriate Norwegian authorities and to the owners and agents of the *Bodo*.

Very truly yours, For the Secretary of State:
WILBUR J. CARR

ATTITUDE OF THE UNITED STATES WITH RESPECT TO LEAGUE OF NATIONS ACTIVITIES IN THE REGULATION OF TRAFFIC IN OPIUM AND OTHER DANGEROUS DRUGS [1]

500.C1197/850

The Secretary of State to the Secretary General of the League of Nations (Avenol) [2]

The Secretary of State of the United States of America refers to circular letter No. C. L. 36. 1935. XI., dated March 7, 1935, from the Secretary General of the League of Nations,[3] in regard to the resolution passed by the Opium Advisory Committee on November 20, 1934, which recommends to governments that no new licenses for the manufacture of narcotic drugs be issued if the factories at present existing in their respective countries have a manufacturing capacity sufficient for the needs of their respective domestic and export markets.[4]

The Treasury Department, which is the Department charged with the duty of registering manufacturers of narcotic drugs in the United States, is of the opinion that, as a general policy, no new factories for extracting alkaloids directly from raw opium or coca leaves and producing the salts of such alkaloids should be permitted to be established in the United States. Nevertheless, that Department reserves the right to permit one or more such factories to be established should special circumstances in its opinion warrant such action, subject, of course, to the paramount principle that the total quantities permitted to be manufactured in any one year shall not exceed the estimates for that year established under the Narcotics Limitation Convention of 1931.[5]

WASHINGTON, April 16, 1935.

[1] For previous correspondence regarding the suppression of illicit traffic in dangerous drugs, see *Foreign Relations*, 1934, vol. I, pp. 743 ff.

[2] Transmitted to the Minister in Switzerland in Department's instruction No. 2937, April 16 (not printed).

[3] Not printed.

[4] See League of Nations, Advisory Committee on Traffic in Opium and Other Dangerous Drugs, *Minutes of the 19th Session*, November 15–28, 1934, p. 35.

[5] *Foreign Relations*, 1931, vol. I, p. 675.

836401—53——35

500.C1197/755

The Secretary of State to the Secretary General of the League of Nations (Avenol)[6]

The Secretary of State of the United States of America acknowledges the receipt of Circular Letter No. C. L. 120. 1934. XI., of July 16, 1934, from the Secretary General of the League of Nations,[7] transmitting a draft annotated convention for the suppression of the illicit traffic in narcotic drugs,[8] and requesting the views of the Government of the United States in regard to the provisions of the draft and any observations which may be suggested by the views expressed by other governments with respect to an earlier draft of the proposed convention.

The draft convention under reference appears to be substantially similar to previous drafts in regard to which the views of the Government of the United States have already been communicated to the Secretary General of the League of Nations, the last communication having been transmitted to the Secretary General, through the American Legation at Bern, under date of April 13, 1934.[9]

The Government of the United States is, therefore, constrained to reiterate the views expressed in previous communications to the effect that (1) it would not be practicable to give effect in the United States to the provisions of the draft convention which would require prosecution in one country for offenses committed in another country and (2) in the opinion of this Government the provisions of existing treaties for the suppression of illicit activities connected with the traffic in narcotic drugs, if given proper effect by all the interested governments, are adequate to accomplish the purpose of the treaties.

For the reasons stated, therefore, the Government of the United States would not feel disposed to participate in the proposed convention.

WASHINGTON, April 20, 1935.

[6] Transmitted to the Minister in Switzerland in Department's instruction No. 2963, April 20 (not printed).

[7] Not printed.

[8] O. C. 1558 (1), Geneva, May 30, 1934.

[9] *Foreign Relations*, 1934, vol. I, p. 743.

500.C1197/875 : Telegram

The Consul at Geneva (Gilbert) to the Secretary of State

GENEVA, May 26, 1935—6 p.m.
[Received 7:55 p.m.]

204. From Fuller.[10]

1. A proposal was made May 25 by the Turkish representative in discussing illicit traffic subcommittee report that the Opium Advisory Committee in its reports on illicit trade should in future mention no case until after guilt or innocence of those concerned has been positively established. Proposal received some French support. It would mean that any government could prevent publication of a given case by merely withholding replies to inquiries.

2. The Italian representative supported this and suggested that the Committee should refrain from analyzing the illicit traffic and from expressing opinions on its trend. This would render futile the Committee's efforts against the illicit traffic.

3. I doubt whether these proposals which will be further discussed May 27 will be adopted but if either is the completed draft report will be sent back to the subcommittee to be redrafted whereupon the chairman thereof who is the Canadian representative will undoubtedly resign and probably all of the other members of the subcommittee including myself.

4. The Turkish representative's suggestion was motivated by his objection to any mention in the report of the fact that over a year ago 2 tons of raw opium left Turkey apparently on forged Abyssinian import permit and have not been accounted for. The passage in no way reflected on the Turkish Government.

5. To follow the Turco-Italian suggestions would transform the Committee's report on illicit traffic and the summaries of seizures into useless chapters of ancient history. It is only through publicity of the kind which it is now proposed to abolish that the Opium Advisory Committee has ever accomplished anything.

6. Should the Opium Advisory Committee be emasculated in the manner proposed there will be little or no reason for the American Government to continue sending a representative. Should circumstances demand I will intimate in the discussion that I gravely doubt whether it will be considered worth while for the American Government to send representatives in future if the Turco-Italian proposals are adopted. [Fuller.] [11]

GILBERT

[10] Stuart J. Fuller, Assistant Chief of the Division of Far Eastern Affairs, representative in an expert and advisory capacity at the 20th session of the Advisory Committee of the League of Nations on the Traffic in Opium and Other Dangerous Drugs.

[11] By telegram No. 208, June 4, 11 a.m., from the Consul at Geneva, Mr. Fuller reported that "Advisory Committee has rejected proposals to alter policy hitherto followed . . . in preparing reports." (500.C1197/877)

500.C1197/893

Memorandum Based on Report by the Assistant Chief of the Division of Far Eastern Affairs (Fuller)[12]

Results: Ways and means of suppressing the illicit traffic received thorough consideration and a detailed survey of the world's illicit traffic in narcotic drugs in 1934 was prepared and will be published. The representatives of several countries which have been used as bases for the illicit traffic objected, however, to the mention of their respective countries in this report although, in corresponding reports in the past, such mention has been usual. Following a long discussion, the Committee finally reasserted its right to obtain all information concerning the clandestine trade and manufacture and to publish it as quickly as possible, without awaiting the complete details that Government or judicial enquiries may be able to provide. The Committee recommended stricter control of codeine in the international trade. Arrangements were begun for an exchange of technical information concerning the application of chemistry in detecting and proving the presence of narcotic drugs. Arrangements were begun for an extensive investigation into the problem of cannabis (known in the United States as marihuana and in the Levant as hashish), the apparently spreading use of which is causing increasing concern to Governments. The question of illicit clandestine manufacture received further consideration and apprehension was expressed at the spread of this menace. During the Committee's session the League Council decided to convene in the autumn of 1935 another conference of legal experts to make a further study of the preliminary draft of the proposed International Police Convention before calling a conference on the subject. It was proposed to refrain from carrying out fully the provision of the Narcotics Limitation Convention which calls for exchange of annual reports. No decision was arrived at in this important matter, which will probably be discussed again in the next session, but objection to the proposal was entered by the American representative. When the Secretariat proposed to abandon the distribution to governments of annual reports (which is provided for in the Narcotics Limitation Convention of 1931) the American representative protested and called attention to the fact that the Secretariat, nearly two years after the coming into effect of that Convention, has not yet begun to conduct the prescribed distribution to governments of annual reports or of seizure reports. The committee took note of a long statement in regard to the situation in China, thorough consideration of which was postponed until the next session.

[12] The report dated July 27, 1935, was prepared by Mr. Fuller following the 20th session of the League of Nations Advisory Committee on the Traffic in Opium and Other Dangerous Drugs, held at Geneva, May 20–June 5 (500.C-1197/885).

500.C1197/896 : Telegram (part air)

The Consul at Geneva (Gilbert) to the Secretary of State

GENEVA, September 7, 1935—2 p.m.
[Received September 9—5 : 34 a.m.]

306. The Council yesterday adopted the report of the *Rapporteur* relating to the report of the Opium Advisory Committee on the work of its 20th session.[13]

1. The British representative[14] referring to the passage on trends of illicit traffic in the United States contained in annex 1, page 25, of the Committee's report made the following statement:

"This passage constitutes in effect an endorsement by the Advisory Committee to the prejudice of the Governments of the British West Indian colonies of allegations that dangerous drugs in substantial quantities are smuggled into the United States and of a charge that those Governments have persistently neglected to take any steps to assist the competent authorities in the United States by investigating allegations relating to the smuggling of dangerous drugs.

So far as the Governments of the British West Indies and neighboring colonies are concerned His Majesty's Government in the United Kingdom are unable to accept these statements. The authorities in these colonies and particularly in the Bahamas have done everything in their power to cooperate with the competent authorities of the United States of America and to assist them by investigating the allegations as to this traffic. The most careful inquiries have failed to reveal evidence that any substantial quantities of dangerous drugs are being smuggled from the Bahamas into the United States either by airplane or in any other manner."

2. Vasconcellos[15] as *Rapporteur* recalled that the passage referred to was based on deliberations of the Advisory Committee and that its accuracy was not contested during the Committee's sessions.

3. Eden's statement seems to me to be based in part on a misinterpretation of the passage referred to.

GILBERT

[13] League of Nations, *Official Journal*, November 1935, pp. 1149–1154.

[14] Anthony Eden.

[15] M. Augusto de Vasconcellos, substitute member for Portugal to the Council of the League of Nations; appointed *Rapporteur* to the Council on the opium questions.

500.C1197/907 : Telegram (part air)

The Consul at Geneva (Gilbert) to the Secretary of State

GENEVA, October 29, 1935—4 p.m.
[Received October 30—12 : 50 p.m.]

551. Consulate's 498, October 14, 6 p.m.[16]

1. Ekstrand[17] has now communicated to all members of the Advisory Committee a note in the form of document O C 1612 A covering the following points:

(*a*) In view of the replies received as indicated in my telegram under reference the chairman of the Advisory Committee has decided to cancel the autumn session.

(*b*) The majority of the members have raised no objection to the date of March 14 for the next session. Nevertheless, others have called attention to inconveniences and disadvantages of that date. In view of the latter considerations Ekstrand in agreement with the Chairman now suggests that the 21st session should begin on May 15 and the seizures subcommittee on May 7.

(*c*) The members of the Committee are requested to inform the Director of the Opium Section before December 15 whether they agree to these dates.

2. Copies of this document mailed to Fuller today.[18]

GILBERT

[16] Not printed.

[17] Eric Einar Ekstrand, Director of the Opium Traffic and Social Traffic Sections of the League of Nations.

[18] The Consul at Geneva reported in his telegram No. 55, February 7, 1936, 3 p. m.: "Ekstrand has now sent out the circular letter informing governments that the 21st session of the Opium Advisory Committee will open on May 18 and the subcommittee on seizures on May 11." (500.C1197/932)

RECONSIDERATION BY THE SENATE OF RESERVATION ATTACHED TO CONSENT TO RATIFICATION OF THE ARMS TRAFFIC CONVENTION, SIGNED AT GENEVA, JUNE 17, 1925 [1]

500.A14/741 : Telegram

The Minister in Persia (Hornibrook) to the Secretary of State

TEHERAN, March 1, 1935—10 a.m.
[Received March 1—9 : 30 a.m.]

11. Foreign Office urgently requests that in the event of elimination of reservation to Arms Traffic Convention [2] that some official statement be made at the same time so action will not be construed by other powers as Senate repudiation of any rights Persia may have in the Gulf.

HORNIBROOK

500.A14/738

The Secretary of State to the Minister in Persia (Hornibrook)

No. 98 WASHINGTON, March 12, 1935.

SIR: The Department refers to previous correspondence relative to the Senate reservation regarding the Persian Gulf in the Geneva Arms Convention of 1925, and encloses a copy of a note dated February 23, 1935, addressed to the Secretary of State by the Persian Minister on this subject.[3]

For reasons which were set forth in the Department's instruction No. 45 of August 28, 1934,[4] no reply has been made to the note in question. However, the Department considers it undesirable to ignore entirely the obviously false construction placed upon the Senate reservation by the Persian Minister as set forth in the second paragraph of his communication, wherein he states that "the amendment is a mere declaration of policy on the part of the United States Govern-

[1] Continued from *Foreign Relations*, 1934, vol. I, pp. 449–488.

[2] For text of the convention, see *ibid.*, 1925, vol. I, p. 61; for text of the reservation, introduced by Senator King of Utah and adopted by the Senate June 15, 1934, see *ibid.*, 1934, vol. I, p. 462.

[3] Not printed. It was the Minister's version of a conversation on February 21, with Mr. Green of the Division of Western European Affairs who noted in his memorandum of February 21 that the Minister had "reiterated at great length all of the arguments in favor of the reservation which he set forth to the Secretary and to other officers of the Department in conversation last year." (500.A14/738.737)

[4] *Foreign Relations*, 1934, vol. I, p. 483.

ment to the effect that American warships would not undertake control of arms traffic in the Persian Gulf in a way that might infringe upon the sovereign rights that Persia may have in the Persian Gulf".

The Department therefore desires you to seek a suitable opportunity of orally and informally pointing out to the Prime Minister that the Senate reservation in no sense constitutes a declaration of policy on the part of the United States Government as claimed by the Persian Minister. You should make clear to the Prime Minister that the Persian Minister's interpretation goes far beyond any intention which the Senate may have had in mind when accepting the reservation, and that you are calling his attention to the matter in order to remove any erroneous conception which might possibly be entertained by the Persian Government in this connection.

Very truly yours, For the Secretary of State:
WILLIAM PHILLIPS

500.A14/771

The Minister in Persia (Hornibrook) to the Secretary of State

No. 384 TEHERAN, March 19, 1935.
[Received April 17.]

SIR: I have the honor to refer to the action of the United States Senate in eliminating the King reservation [5] from the Arms Traffic Convention of 1925 and to report as follows:

On March 15th, Mr. Kazemi, Minister for Foreign Affairs, approached me at the Prime Minister's annual dinner and conveyed the information that the King reservation to the Arms Traffic Convention had been eliminated at the request of the President and that a second reservation to the effect that the convention would not become operative until the same had been ratified by all other nations which were a party thereto, had been passed by the Senate.[6] He advised me that this information came by cable from the Persian Minister in Washington and asked if I had received any information on the same subject from the Department of State. I informed him that I had received no cable information, but that during his absence from Teheran I had complied with the request of Mr. Motamedi, Acting Chief of the Third Political Division handling American and European Affairs, and transmitted to Washington the request of the Imperial Iranian Government that some commitment should be made to the effect that the American Government had no disposition to interfere with any rights or claims which his government may have in the

[5] See *Congressional Record*, vol. 79, pt. 8, pp. 8783 ff.
[6] *Ibid.*, p. 8790.

Gulf. I advised the Foreign Minister that I had received no reply to such communication or any intimation from my government as to what action, if any, would be taken thereon.

That the Minister was deeply disappointed in the action of the Senate in eliminating the King amendment was quite apparent, although he did not so express himself and I thought it the part of prudence to refrain from entering into any discussion of the merits of the provisions of the same or the action of the Senate in reversing itself on a question which appeared to be of such vital interest to the Persian Government. In reply to a question as to whether or not it was my opinion that the new reservation would defeat the object of the Arms Traffic Convention, I stated that while I had received no official information on that subject that I was personally inclined to be rather dubious as to whether or not all of the nations which are a party to the convention would ratify the same.

In connection with the activities of the Persian Minister to Washington in obtaining Senate approval of the original King reservation I might add that during the past few weeks there have been rather definite rumors to the effect that Djalal will be recalled after the completion of the festivities in connection with the celebration of the Persian New Year.

Respectfully yours, WM. H. HORNIBROOK

500.A14/777a : Telegram

The Secretary of State to the Minister in Iran[1] (*Hornibrook*)

WASHINGTON, June 8, 1935—4 p.m.

16. In giving its advice and consent on June 6 to the ratification of the Arms Traffic Convention of 1925, the Senate declined to agree to a reservation regarding sovereignty over the Persian Gulf.

HULL

500.A14/780a

The Secretary of State to the Ambassador in France (*Straus*)

No. 930 WASHINGTON, June 27, 1935.

SIR: The Convention for the Supervision of the International Trade in Arms and Ammunition and in Implements of War, signed at Geneva on June 17, 1925, provides that the ratifications thereof shall be deposited with the Government of the French Republic. The convention was ratified by the President on June 21, 1935, and his instrument of ratification is herewith transmitted to you for deposit

[1] On March 22, 1935, the name "Iran" came into official use for the country known up to that time as "Persia"; see Department of State, *Press Releases*, March 23, 1935, p. 181.

with the Government of the French Republic as provided for in Article 40 of the convention. The instrument of ratification is accompanied by a full power authorizing you to make the deposit.

It will be observed that the ratification is made "subject to the reservation that the said convention shall not come into force so far as the United States of America is concerned until it shall have come into force in respect of Belgium, the British Empire, Czechoslovakia, France, Germany, Italy, Japan, Sweden and the Union of Soviet Socialist Republics", and this fact should be stated in the procès-verbal of deposit which you will sign with the appropriate officer of the French Government at the time the deposit shall be made.

Report regarding the deposit may be made by mail.

Very truly yours, For the Secretary of State:
WILLIAM PHILLIPS

500.A14/787

The Chargé in France (Marriner) to the Secretary of State

No. 2141 PARIS, September 3, 1935.
[Received September 14.]

SIR: I have the honor to refer to my despatch No. 2109 of August 22, 1935,[8] in reply to instruction No. 930 of June 27, 1935, with which was transmitted the President's instrument of ratification of the Convention for the Supervision of the International Trade in Arms and Ammunition and in Implements of War, signed at Geneva on June 17, 1925, and to transmit herewith, in copy and translation, a further note from the Foreign Office, dated August 30, 1935,[8] on this subject.

This note states that, so long as the condition to which the ratification of the United States has been subordinated shall have not been fulfilled, the ratification in question cannot be counted as being one of the fourteen ratifications required by Article 41 for the establishment of the first procès-verbal of deposit of the ratifications and the coming into force of the convention under reference.

Respectfully yours, THEODORE MARRINER

500.A14/790b

The Secretary of State to the Chargé in France (Marriner)

No. 1206 WASHINGTON, February 15, 1936.

SIR: I refer to instruction No. 930 of June 27, 1935, with which was transmitted the President's instrument of ratification dated June 21, 1935, of the Convention for the Supervision of the International Trade

[8] Not printed.

in Arms and Ammunition and in Implements of War, signed at Geneva on June 17, 1925, and to your despatches No. 2109 of August 22, 1935,[9] and No. 2141 of September 3, 1935, enclosing notes from the French Ministry of Foreign Affairs concerning this ratification.

I note that the Ministry stated that the signing of the first procès-verbal of deposit can take place only when fourteen Powers will have ratified the Convention, and that, further, so long as the condition to which the Government of the United States has subordinated the effect of its ratification shall not have been fulfilled, this ratification can not be counted as one of the fourteen ratifications required before the signing of the procès-verbal can take place.

Your attention is also invited to your despatch No. 867 of May 2, 1934,[9] in which you quoted a noted from the Ministry of Foreign Affairs dated April 23, 1934, to the effect that "Bulgaria and Canada are ready to deposit their instruments of ratification of the Convention for the Control of the Trade in Arms and Ammunition."

In this connection, I may add that a despatch of November 14, 1932,[9] from the American Legation in Sofia reported that the Bulgarian Government had ratified that Convention without reservation.

I have noted, however, that League of Nations Document No. A.6.(a).1935.V.Annex of August 28, 1935, entitled "Ratification of Agreements and Conventions Concluded under the Auspices of the League of Nations—Sixteenth List", in enumerating on page forty-four the governments which have ratified or definitely acceded to the above-mentioned Convention, includes in that category a number of States, such as the British Empire, Australia, Denmark, France, and Sweden, which have ratified with very definite reservations. On the other hand, Bulgaria and Canada, which have apparently ratified without reservations, and the United States, which has ratified with reservations essentially similar to those made by the States mentioned in the preceding sentence, have been included in the category of those countries whose signature or accession to the Convention has not yet been perfected by ratification.

You are requested to ascertain why the French Government has permitted the deposit of the ratifications of the British Empire, Australia, Denmark, France, and Sweden to the Convention of 1925 and has refused to permit the deposit of the ratification of the United States. You are also requested to ascertain whether or not Bulgaria and Canada have actually deposited, or attempted to deposit, their ratifications of this Convention.

Very truly yours,

For the Secretary of State:
R. WALTON MOORE

[9] Not printed.

500.A14/792

The Ambassador in France (Straus) to the Secretary of State

No. 2724 PARIS, May 1, 1936.
[Received May 12.]

SIR: I have the honor to acknowledge the receipt of the Department's instruction No. 1206 of February 15, 1936, in regard to the Convention for the Supervision of the International Trade in Arms and Ammunition and Implements of War, signed at Geneva on June 17, 1925. The Department, among other things, directed the Embassy to ascertain why the French Government has permitted the deposit of the ratifications of the British Empire, Australia, Denmark, France and Sweden to this Convention and has refused to permit the deposit of the ratification of the United States.

Under date of February 28, 1936, the Embassy addressed a note, a copy of which is enclosed,[10] to the Minister for Foreign Affairs requesting the information desired by the Department, and, on April 16, 1936, an officer of the Embassy called upon M. Lozé, Assistant Chief of Protocol, at the Ministry of Foreign Affairs in an endeavor to obtain a reply to the Embassy's note.

M. Lozé explained that the reason why the American notice of ratification had not been published in League of Nations Document No. A.6(a).1935.V.Annex of August 28, 1935, was that the Embassy's note of July 8, 1935, notifying the French Government of ratification by the United States had not been received by the Foreign Office in time to permit its communication to Geneva prior to the publication of the document in question. He said that the French Government had notified the League of Nations of the ratification by the United States and that the next publication of the League upon this subject would show the United States as having ratified with reservations.

In answer to the inquiry of the officer of the Embassy, M. Lozé said that although the French Government had accepted custody of the ratifications of the various countries which had ratified, no procès-verbal had been signed in connection with the deposits. He said that, according to the terms of the Convention, the first procès-verbal could not be signed until fourteen countries had ratified, and that the Secretariat of the League had interpreted this to mean without reservation. M. Lozé added that, in each case of deposit, the ratification had merely been transmitted to the French Government under cover of a note from the mission concerned, and he permitted the officer of the Embassy to read a copy of the Foreign Office reply to the note under cover of which the British ratification had been deposited, which indicated

[10] Not printed.

that the British Embassy had merely transmitted the ratification for deposit, drawing attention in the body of its note to the reservations of the British Government. M. Lozé said that the other countries which had ratified with reservations had done likewise, and he expressed a willingness on the part of the Ministry for Foreign Affairs to receive custody of the ratification of the United States in a similar manner. He reiterated, however, that no procès-verbal could be signed until fourteen countries had ratified without reservation.

The Embassy did not convey this information immediately to the Department as M. Lozé had promised, and continues to promise, to confirm it in a formal note from the Foreign Office. However, as the Department's memorandum instruction No. 1282 of April 21, 1936,[11] requests that the action in the matter be expedited, the Embassy has decided to transmit the above information without waiting for the formal reply from the Foreign Office.

Respectfully yours, JESSE ISIDOR STRAUS

500.A14/798

The Ambassador in France (Straus) to the Secretary of State

No. 2881 PARIS, July 3, 1936.
[Received July 14.]

SIR: Supplementing the Embassy's telegram No. 556 of June 29, 8 p.m., 1936,[11] regarding the deposit of the ratification of the United States of America of the Convention for the Supervision of International Trade in Arms and Ammunition and in Implements of War, signed at Geneva on June 17, 1925, I have the honor to enclose a copy and translation of a note dated June 30, 1936,[11] from the Ministry of Foreign Affairs acknowledging the receipt of the instrument of ratification of the United States.

The Department will note that the French Government has reiterated the statement that so long as the condition to which the ratification of the United States has been subordinated shall not have been fulfilled, that ratification can not be counted as one of the fourteen ratifications required for the writing of the procès-verbal of deposit of ratifications and the coming into force of the said Convention.

Respectfully yours, For the Ambassador:
EDWIN C. WILSON
Counselor of Embassy

[11] Not printed.

500.A14/798

The Secretary of State to the Ambassador in France (Straus)

No. 1432 WASHINGTON, July 30, 1936.

SIR: The receipt is acknowledged of the Embassy's despatch No. 2881 of July 3, 1936, enclosing a copy of a note to you, dated June 30, 1936, from the French Ministry of Foreign Affairs, stating the condition on which that Ministry accepts the deposit of the instrument of ratification by the United States of the Convention for the Supervision of International Trade in Arms and Ammunition and Implements of War, signed at Geneva on June 17, 1925.

This Department concurs in the view of the French Ministry of Foreign Affairs that the instrument of ratification by the United States cannot be counted as one of the required fourteen ratifications necessary to put the Convention into effect until the governments to whose ratification the United States ratification is made subject shall have ratified the Convention and deposited their instruments of ratification, it being understood that the same principle applies with respect to the ratifications of all governments which are made subject to ratification by other governments. The Department recognizes and desires to make of record the fact that ratifications of the Convention depending upon the fulfillment of conditions can have no part in making the Convention effective unless and until those conditions shall have been met.

Very truly yours, For the Secretary of State:
SUMNER WELLES

[Failing ratification by Belgium, Czechoslovakia, Germany, Italy, Japan, and the Union of Soviet Socialist Republics, the Convention for the Supervision of the International Trade in Arms and Ammunition and in Implements of War did not come into effect for the United States.]

REPRESENTATIONS BY FOREIGN GOVERNMENTS REGARDING BILLS FOR THE DEPORTATION OF CERTAIN ALIEN SEAMEN [1]

150.071 Control/194

Memorandum by the Swedish Minister (Boström)

In view of the fact that a new Bill (S. 379), to provide for the deportation of certain alien seamen and for other purposes, has now been introduced by Senator King,[2] the Minister of Sweden begs respectfully to call attention to his memorandum of March 9, 1934,[3] left at the Department of State on the same date.

The Minister would highly appreciate it if the facts therein set forth could be given due consideration.

WASHINGTON, January 22, 1935.

150.071 Control/196

The Canadian Minister (Herridge) to the Secretary of State

WASHINGTON, February 18, 1935.

MY DEAR MR. SECRETARY: I notice that bills "to provide for the deportation of certain alien seamen and for other purposes", have been introduced in the 74th Congress by Senator King, Mr. Dies,[4] and Mr. Schulte.[5] These measures are identical, except for certain minor changes, with the bills which have been before several previous Congresses.

I should be glad if you would refer in this connection to a memorandum from the Canadian Legation which was left at the Department of State on January 27th, 1932.[6] The Government of Canada

[1] Continued from *Foreign Relations*, 1934, vol. I, pp. 753 ff. Copies of all communications from foreign governments printed in this section were transmitted by the Department to the Chairmen of the Senate Committee on Immigration and the House Committee on Immigration and Naturalization.

[2] Introduced on January 7, 1935, by Senator William H. King of Utah; *Congressional Record*, vol. 79, pt. 1, p. 136.

[3] *Foreign Relations*, 1934, vol. I, p. 756.

[4] H. R. 2885, introduced on January 4, 1935, by Martin Dies of Texas; *Congressional Record*, vol. 79, pt. 1, p. 125.

[5] H. R. 5380, introduced on February 5, 1935, by William T. Schulte of Indiana: *ibid.*, pt. 2, p. 1501.

[6] *Foreign Relations*, 1932, vol. I, p. 956.

continue to feel the same concern over the effects of the enactment of this legislation; and I should be grateful if you would take steps to ensure that the objections expressed in the memorandum in question are considered in connection with the pending bills.

Believe me [etc.] W. A. HERRIDGE

150.071 Control/198

The Norwegian Minister (Morgenstierne) to the Secretary of State

The Minister of Norway presents his compliments to the Honorable the Secretary of State and has the honor, with reference to Mr. Bachke's notes of December 28, 1931 [7] and May 9, 1933,[8] to call the Secretary's kind attention to the bill S. 379 introduced in the Senate of the United States by Senator King and to the bill H. R. 2885 introduced in the House of Representatives by Mr. Dies, both during the present session, and providing for the deportation of certain alien seamen.

These bills contain similar provisions to those contained in the bill introduced by Representative Dies during the Congress session of 1934 (H. R. 3842).

The Minister of Norway would be grateful if the attention of the appropriate United States Authorities might be called to the serious consequences which, in the opinion of the Norwegian Government, would result for Norwegian shipping if the above mentioned bills should be enacted.

WASHINGTON, March 13, 1935.

150.071 Control/201

The British Ambassador (Lindsay) to the Secretary of State

No. 92 WASHINGTON, 6 April, 1935.

MY DEAR SECRETARY OF STATE: British shipping interests are seriously concerned by the reappearance of the alien seamen deportation bills recently introduced into the House of Representatives and the Senate by Mr. Schulte and Senator King respectively.

His Majesty's Government in the United Kingdom observe that the former bill has already been under discussion in the Immigration Committee of the House of Representatives, and it is understood that the latter bill is likely to come before the Senate Committee on Immigration very shortly.

His Majesty's Government desire to make it clear that their strong objections to the passage of these measures, which I have had the

[7] *Foreign Relations*, 1932, vol. I, p. 946.
[8] *Ibid.*, 1933, vol. I, p. 985.

occasion to bring before you and your predecessors on several occasions during past sessions of Congress, have lost none of their force; and I should be grateful if you would be kind enough to take whatever steps may seem to you appropriate to see that this fact is not overlooked.

Believe me [etc.] R. C. LINDSAY

150.071 Control/200

The Italian Embassy to the Department of State

Upon the occasion of the presentation and subsequent hearings before the House Immigration and Naturalization Committee during the past month of the Schulte Bill (H. R. 5380) and of the hearings which are now taking place before the Senate Immigration Committee on the King Bill (S. 379), the Italian Embassy would again respectfully point out the remarks made in previous memorandums addressed to the United States Department of State, particularly in the one of March 6th 1934.[9]

It is believed that these Bills, dealing on the deportation of alien seamen, if enacted into law, would not allow a desirable cooperation in matters of shipping between the United States and Italy, as pointed out in the memorandum above mentioned.

WASHINGTON, April 10, 1935.

150.071 Control/205

Memorandum by the Chief of the Division of Western European Affairs (Moffat)

[WASHINGTON,] June 13, 1935.

The Netherland Minister called this afternoon to renew his protest against the King-Dies Bill. I got in touch with Mr. Simmons, of the Visa Division, who informed me that the Bill had been favorably reported to the Senate and to the House on June 10. He said the Department had reiterated its opposition and that Mr. Carr [10] had as in the past testified against it. We could not predict the ultimate fate but we must bear in mind that this session will last through next year and that the measure was liable to be called to the floor at any time. The Minister remarked that in that case everything possible would appear to have been done but that the Bill, if passed, would have disastrous results on their shipping.

PIERREPONT MOFFAT

[9] *Foreign Relations*, 1934, vol. I, p. 753.

[10] Wilbur J. Carr, Assistant Secretary of State.

150.071 Control/203b

The Secretary of State to the Senate Majority Leader (Robinson)[11]

WASHINGTON, June 15, 1935.

MY DEAR SENATOR ROBINSON: There is now pending before the Senate a bill, S. 379, introduced by Senator King, entitled "A bill to provide for the deportation of certain alien seamen, and for other purposes". The bill in practically its present form has been pending before Congress for many years being urged principally by Mr. Andrew Furuseth, representing the Seamen's Union. The Department of State is heartily in favor of preventing the entry into this country of aliens not properly admissible under our laws and of sending out of the country aliens, whether seamen or not, who are here in contravention of our laws and it would favor any proper measure for the accomplishment of those purposes which might be found necessary and consistent with our international responsibilities. As this Department and the Department of Labor have pointed out to the appropriate committees, the bill S. 379 is objectionable from the point of view of our international relations, it would add greatly to the cost of administration, it is unnecessary for the purpose of keeping out of the country seamen not entitled to admission to the United States and the machinery it provides for that purpose is already provided for in more effective form by the Immigration Act of 1924.[12] Both this Department and the Department of Labor have suggested a substitute[13] for the measure which would be unobjectionable from the standpoint of our foreign relations and would increase the effectiveness of existing law but that suggestion has unfortunately not been adopted. I think it is important that you should be aware of the foregoing in the event that it should be sought to bring the bill S. 379 up for consideration in the Senate.

Sincerely yours, CORDELL HULL

150.071 Control/209

The German Embassy to the Department of State

[Translation]

The German Embassy has the honor to submit the following to the Department of State.

In a *note verbale* of May 10, 1933,[14] the receipt of which was acknowledged on May 26, 1933 (file number 150.071 Control/156),[15]

[11] Identic letter on June 15 sent to Joseph W. Byrns, Speaker of the House of Representatives.

[12] 43 Stat. 153.

[13] See letter of June 4, 1934, to the Secretary of Labor, *Foreign Relations*, 1934, vol. I, p. 763.

[14] *Ibid.*, 1933, vol. I, p. 989.

[15] Not printed.

the Embassy called attention to the grave objections existing in Germany, from economic and other considerations, to S. 868 and H. R. 3842, bills then pending before the Congress. These bills did not become law before the adjournment of the 73rd Congress.

As the Embassy has learned, bills very similar to the former ones have again been introduced in both houses of Congress. These are bills S. 379 and H. R. 5380, concerning the deportation of foreign seamen.

The Embassy considers it its duty once more to express the grave objections to such legislation existing now as well as formerly, and to refer to its earlier written statements against such bills, as it is convinced that legislative measures such as those planned are bound to result in further severe restrictions and burdens on sea trade between nations and hence on world business as a whole.

WASHINGTON, June 17, 1935.

150.071 Control/204

The Chief of the Visa Division (Simmons) to the Assistant Secretary of State (Carr)

[WASHINGTON,] June 17, 1935.

DEAR MR. CARR: As I informed you last week, I had a personal conversation with Senator Copeland on June 13th at the Senator's office, at which time I took up with him informally the question of the King seamen bill, S. 379, which was recently reported out favorably by both the Senate and House Immigration Committees and to which Senator Copeland is opposed.

Senator Copeland received me very courteously and told me that he thought that there was very little chance that the bill would be allowed to reach the Senate floor since Senator King himself was not particularly interested in the bill as long as he could show that it had been reported out favorably by the Senate Immigration Committee, of which he is a member.

Senator Copeland said that, at the executive session that the bill was reported out last week, he left the room shortly before this favorable action was taken. He said that he did this purposely in order not to be there when the favorable decision was reached and in order to keep himself entirely free for any further action which he might wish to take in order to oppose the bill.

He said that, while he was not particularly concerned with any danger of the bills getting on to the Senate floor, that he would nevertheless appreciate a short letter from me stating the Department of

State's opposition to the bill, which had been given verbally on many occasions in committee hearings, in order that he might have this information readily available and in order to show it to his friend, Senator McNary,[16] whom he felt would also be interested in opposing the passage of the bill on the Consent Calendar.

I have accordingly, after consultation with you, drafted the attached letter to Senator Copeland,[17] which is similar in form to the letters which the Secretary has just sent to Senator Robinson and to the Speaker of the House of Representatives.

I shall be glad to sign the attached letter and send it to Senator Copeland in case you approve of this action.

J. F. SIMMONS

150.071 Control/215

President Roosevelt to the Secretary of State

WASHINGTON, August 19, 1935.

MY DEAR MR. SECRETARY: I am sending you a copy of a letter which I have recently sent to Andrew Furuseth, Esq., President and Legislative Representative, International Seamen's Union of America.

Please designate someone from your Department as a member of the Committee mentioned in the last paragraph.

Very sincerely yours, FRANKLIN D. ROOSEVELT

[Enclosure]

President Roosevelt to the President of the International Seamen's Union of America (Furuseth)

WASHINGTON, August 13, 1935.

MY DEAR MR. FURUSETH: I have read your letter of August seventh, which throws some further light upon the aims and purposes of S. 379, a bill "For the deportation of certain alien seamen, and for other purposes," about which you had written me a month or so ago.

The points at issue are, as you know, complicated, and there is at the present time so much disagreement with respect to them that it seems unlikely that any bill resolving these differences could be prepared and passed in the few days remaining of this first session of the Seventy-Fourth Congress.

However, I doubt if the differences are permanently irreconcilable, and I am asking the Secretaries of State, Commerce and Labor each

[16] Charles L. McNary of Oregon, minority leader of the Senate.
[17] Not printed.

to designate one person from his Department to form a joint committee that may discuss the proposals involved with you, with your organization, and with such other persons or parties as may have an interest in the situation. After this committee has held conferences, I hope that it can agree upon a program which it can present to the next session of Congress, and which will have the united endorsement of the Executive departments and of interested persons.

Very sincerely yours, FRANKLIN D. ROOSEVELT

[The Committee requested by the President was constituted by the appointment of the following: John Farr Simmons, Chief of the Visa Division, Department of State, August 24, 1935; J. B. Fordham, Junior Assistant to the Secretary of Labor, August 23, 1935; and S. D. Schell, Assistant Director of the Shipping Board Bureau, Department of Commerce, September 3, 1935.]

OPPOSITION BY CERTAIN FOREIGN GOVERNMENTS AND BY THE DEPARTMENT OF STATE TO PROVISIONS IN PROPOSED SHIPPING LEGISLATION

811.801/575

The Danish Minister (Wadsted) to the Secretary of State

No. 38 WASHINGTON, March 18, 1935.

SIR: I have the honor to address you on the following subject.

The Danish Minister of Foreign Affairs has directed me to invite your attention to S. 1632 [1] and H. R. 5379,[2] known as the Eastman Bill, now pending respectively in the United States Senate and the House of Representatives, and to the Proposed Report and Order of the United States Shipping Board Bureau of the Department of Commerce (formal docket No. 128),[3] which have followed the investigation recently held by the Shipping Board Bureau, in connection with Section 19 of the Merchant Marine Act, 1920.[4]

The Eastman Bill applies, in terms, to all water carriers of all flags, transporting passengers or cargo from any port of the United States to a foreign country, and from any foreign country to any port of the United States, with the single exception of "a cargo boat commonly called an ocean tramp carrying on any one voyage cargo supplied by one shipper only, under a single charter party or contract of affreightment". (Sec. 203 (*g*).)

With this broad application, the Bill provides that the Interstate Commerce Commission may, upon the complaint of any competing carrier, (*provided* he is a party to an approved Conference agreement), "determine and prescribe such minimum rate, fare or charge . . . as in the Commission's judgment the competitive situation and other surrounding circumstances and conditions may require". (Sec. 224 (*c*).)

The Proposed Report of the United States Shipping Board Bureau recommends that the Department of Commerce issue an order putting into effect certain rules and regulations the essential provisions of which may in substance be stated as follows:

[1] *Congressional Record*, vol. 79, pt. 10, p. 10692.
[2] *Ibid.*, pt. 2, p. 1501.
[3] *Decisions of the United States Shipping Board* (Washington, Government Printing Office, 1942), p. 470.
[4] 41 Stat. 988.

(1) Every carrier by water (and not merely a common carrier) transporting cargo from American to foreign ports must file with the United States Shipping Board Bureau its "rates, charges, rules and regulations" governing such transportation, thirty days before loading.

(2) The rates, etc. so filed must be kept open to public inspection at the carriers' principal business office in the United States ports from which its vessels operate.

(3) Any change in the rates must be made by new filing and the new rates become effective only thirty days after such new filing.

(4) "Upon proper showing of an emergency or for other good cause shown" the Shipping Board Bureau is to have discretion to excuse any carrier or carriers from the thirty days requirement and may permit it to change its rates without notice to any one.

(5) The foregoing regulations do not apply

(*a*) To the transportation of "cargo loaded and carried in bulk without mark or count". Such cargo may be transported by any carrier, whether or not a "tramp", free from these regulations.

(*b*) To "tramps" (as defined by the Report) i. e., "carriers transporting on any one voyage cargo supplied by a single shipper only, under a single charter party or contract of affreightment". Such "tramps" may carry any kind of cargo, so long as they fall within the narrow definition laid down in the Report.

Under the date of February 12th, 1934, acting under instructions received from the Danish Minister of Foreign Affairs, I had the honor of addressing to you a note [5] on the subject of the proposed General Shipping Code, which was then before the National Recovery Administration. For similar reasons, my Government is once more concerned over the serious consequences which would follow the enactment of the Eastman Bill or the issuance by the Department of Commerce of the Order recommended by the Shipping Board Bureau. In the view of my Government, both of these measures appear not to be in accordance with the rights secured by treaty and the generally recognized principles of international law, granting free access to ports for the purposes of international trade.

My Government fears that, if these measures should become effective, they would have serious consequences for Danish shipping now engaged in the American trade, and, acting upon the instructions of the Danish Minister of Foreign Affairs, I have the honor to request that, through your good offices, the attitude of the Danish Government may be brought to the early attention of the appropriate branches of the American Government, with a view that the Eastman Bill and the Proposed Order may be so worded as to eliminate foreign (Danish) vessels from their operation.

I avail myself [etc.] OTTO WADSTED

[5] *Foreign Relations*, 1934, vol. I, p. 683.

811.801/574

Memorandum by Mr. William R. Vallance of the Office of the Legal Adviser

[WASHINGTON,] March 18, 1935.

Mr. Moffat [6] telephoned me, I believe on March 15, that the Norwegian Minister had called to see him regarding his desire to have Mr. Charles S. Haight, Attorney for Norwegian tramp steamship owners, given an opportunity for a full hearing on the so-called Eastman Transportation Bill. Mr. Moffat suggested that, as I was following the legislation in Congress, he was passing on to me the request of the Norwegian Minister for such action as seemed appropriate under the circumstances.

I told Mr. Moffat that Mr. Haight had advised me of his fear that he would not be able to get a hearing before the Committee but that I believed the Committee would nevertheless find time to hear what he had to say before it adjourned.

Last evening Mr. Haight telephoned me at my residence and expressed his desire to be heard by the Committee at the hearing this morning. Under the circumstances I telephoned to the Clerk of the Committee and advised him of the request of the Norwegian Minister. I was assured that Mr. Haight's name was on the list of witnesses for today.

Mr. Haight called this afternoon and stated that he had been on the stand for an hour this morning and that he believed he had fully presented the arguments against the adoption of shipping provisions in the Eastman Bill. He stated that Mr. Eastman [7] had called Mr. Hewes of this Department on the 'phone and had assured him that he was not a shipping man and did not want to put anything in his bill that would embarrass the Department in connection with international shipping rights and obligations or policies. Mr. Haight understood that Mr. Hewes expressed the opinion that he might take steps with a view to having the Interdepartmental Committee on Shipping called together again to consider the questions raised by the foreign governments in respect to the provisions of the Eastman Bill relative to shipping. Mr. Haight said that he had promised to furnish Mr. Hewes a memorandum regarding the international obligations that would be affected by the proposed legislation and an argument against the adoption of these provisions from a shipping policy standpoint. No further action is required at the present time with regard to the matter. The Clerk of the Senate Committee considering the Eastman Bill is Mr. Robert Freer, an intimate friend of mine who was

[6] J. Pierrepont Moffat, Chief of the Division of Western European Affairs.
[7] Joseph B. Eastman, Federal Coordinator of Transportation.

formerly an attorney with the Interstate Commerce Commission and who was detailed with Mr. Eastman to assist him in making the study of the transportation problem and in drafting legislation to deal with it.

W[ILLIAM] R. V[ALLANCE]

811.801/578

The British Embassy to the Department of State

AIDE-MÉMOIRE

A Notice (Investigation—Section 19 of Merchant Marine Act, 1920) was issued by the United States Shipping Board Bureau of the Department of Commerce on January 22nd, 1935. Attached to it was a proposed report, based upon an investigation by the Division of Regulation of that Bureau into conditions alleged to be unfavourable to shipping in the foreign trade resulting from competitive practices of owners, etc., of foreign vessels.

2. The Notice stated that any exceptions to or other comments on the rules and regulations proposed in the report should be addressed to the Division of Regulation on or before February 25th, 1935. It is understood that the representatives of certain British and other foreign shipping interests were in the actual event courteously granted an extension of time; and have presented such exceptions and comments from the point of view of their particular interests.

3. The following are the views expressed by the Board of Trade of His Majesty's Government, after discussion with British shipping interests, on certain of the proposed rules and regulations:—

4. It is observed that the purpose of the proposed rules is to safeguard regular Conference lines against rate cutting; and that there is no intention to interfere with genuine tramp business. It is feared nevertheless that the order as drafted, and particularly rules 5 and 6 thereof, would in practice result in such interference. Strong representations have been made to the Board of Trade by British tramp shipping interests, who point out that the rules in question are not wide enough to cover much genuine tramp business that has been carried on for many years. For example, in relation to rule 5, timber is a genuine tramp cargo, but is always marked. Grain may be shipped in bags, as well as carried as a bulk cargo. Goods may be loaded for several shippers in a vessel chartered by a load broker.

5. Further, in cases where a vessel is time chartered by a firm in the United States or elsewhere, any penalty for breach of the order should, it is suggested, surely lie, not against the ship owner, who might be ignorant of the use to which the ship is to be put, but against the time charterer.

6. It is urged that the transportation at least of cargo in any case in which all the cargo carried in the ship is carried under a charter party whether or not there is more than one charter party should be exempted from the scope of the order. Furthermore, it is felt strongly that any penalty for a breach of the regulations should apply to the charterer and not to the ship owner in any case in which control of the ship rests with the former in a matter to be dealt with under the terms of the order.

7. Under rule 4 of the proposed order it is apparently intended to give the Department of Commerce the power to grant exemptions. In this connection it is suggested that unless the provisions of rules 5 and 6 are considerably liberalised the demand for such exemptions may well and reasonably become overwhelming. Moreover, the delay in dealing with such applications for exemption or a refusal to grant them would undoubtedly lead to difficulties, not only as between shipping companies and the Department, but even between the United States and foreign governments.

8. His Majesty's Embassy will be most grateful if the State Department will be good enough to see that the competent authorities of the United States Government take full account of the above considerations as soon as may be possible.

WASHINGTON, April 4, 1935.

811.801/583

The Norwegian Minister (Morgenstierne) to the Secretary of State

WASHINGTON, April 11, 1935.

SIR: I have been instructed by my Government to invite your attention to certain measures intended to regulate the shipment of goods between the United States and other countries, which measures are actually under consideration by administrative and legislative branches of the United States Government:

The Shipping Board Bureau of the Department of Commerce in a report entitled Docket No. 128 has proposed to the United States Government certain rules and regulations in connection with section 19 of the Merchant Marine Act of 1920.

The main purport of these rules and regulations are as follows:

1) All carriers by water, common carriers and others, transporting cargo from American to foreign ports must file with the United States Shipping Board Bureau its "rates, charges, rules and regulations" governing such transportation, thirty days before loading.

2) The rates, charges, etc. so filed must be kept open to public inspection at the carriers' principal business office in the United States ports from which its vessels operate.

3) Any changes in the rates and charges must be made by new filing and the new rates become effective only thirty days after such new filing.

4) The Shipping Board Bureau is authorized to excuse any carrier or carriers from the thirty days requirement and may permit changing of rates immediately without previous notice.

The foregoing regulations do not apply to "tramps" which the report describes as "carriers transporting on any one voyage cargo supplied by a single shipper only, under a single charter party or contract of affreightment", nor to the transportation of "cargo loaded and carried in bulk without mark or count".

A bill, commonly called the "Eastman Bill", for the regulation of shipping in interstate and foreign commerce, has been introduced in the United States Senate as S. 1632. This bill applies to all water carriers of all flags transporting passengers or cargo between the United States and foreign countries with the exception of ships described as "a cargo boat commonly called an ocean tramp, carrying on any one voyage cargo supplied by one shipper only, under a single charterparty or contract of affreightment". Incidentally, it is observed that these definitions of the word "ocean tramp" are so narrow as to exclude certain forms of ocean transportation generally effected by tramp steamers, such as for instance the transportation of lumber, sugar and other sorts of sack goods when carried in bulk with "counts and marks" for several shippers and under more than one charterparty or freight agreement, whether the ship is engaged for a trip or is chartered. With the exception of "ocean tramps", as defined in the bill, it provides for regulation, through the Interstate Commerce Commission, of freights and rates and authorizes the Commission, upon the complaint of any carrier who is a party to a conference agreement approved by the proper agency of the United States Government to determine and prescribe minimum rates, fares and charges. I refer especially to sections 203,*g* and 224,*c* of the proposed bill and also to section 231 which provides for sanctions against parties violating section 223 and following sections without, incidentally, containing any provisions exonerating shipowners from liabilities for acts of charterers, affreighters and shippers.

My Government has instructed me to call to your attention that in their opinion the regulations proposed by the Shipping Board Bureau and the provisions of the bill S. 1632, in as much as they provide for control and regulation of freights, rates, charges and other matters with regard to Norwegian ships are not in accordance with section VII of the Treaty between Norway and the United States of June 5, 1928.[8] As regards the general purport of the proposed admin-

[8] *Foreign Relations*, 1928, vol. III, p. 646.

istrative regulations and the bill S. 1632 I do not fail to refer to the Memorandum of February 14, 1934 [9] which my predecessor handed the Under Secretary of State when the question of a Code of Fair Competition for the Shipping Industry was under consideration. As was the case with regard to the proposed code, the Norwegian Government again feel concerned over the consequences which would follow the imposition of such regulations as proposed by the Shipping Board Bureau and contained in the bill S. 1632 and feel that such regulations would not be consistent with the freedom of navigation as mutually guaranteed in the above mentioned treaty.

Accept [etc.] W. MORGENSTIERNE

811.801/593a

Resolution Adopted by the Executive Committee on Commercial Policy,[10] May 10, 1935

The Executive Committee on Commercial Policy, having noted the provisions in the pending ship subsidy bills (H. R. 7521 [11] and S. 2582 [12]) and also in the Eastman water carrier regulation bills (H. R. 5379 and S. 1632) granting authority to the Federal Government to regulate rates, fares and charges of foreign ships with respect to traffic into and out of ports of the United States, desires to express the view of the committee that these provisions, if enacted into law, will prove injurious to American foreign trade, will be certain to encounter grave difficulties of enforcement, and will be an impediment to the maintenance of friendly commercial relations with other maritime countries.

With respect to the effect upon our foreign trade, the Committee is of the opinion that establishment of minimum rates, fares and charges by national authority, and the rigidity of rate structure in the carrying of our foreign trade that will result, will definitely handicap our export trade in competing abroad with similar goods brought into foreign markets from countries which do not subject foreign shipping to such rate regulation. In this matter it is essential to bear in mind the fundamental distinction between rate regulation within our own boundaries or in inter-coastal shipping by such a body as the Interstate Commerce Commission and such regulation as applied to international trade.

[9] *Foreign Relations*, 1934, vol. I, p. 685.

[10] Committee with representation from the Departments of State, Treasury, Commerce, and Agriculture, Agricultural Adjustment Administration, National Recovery Administration, and United States Tariff Commission. See Department of State, *Press Releases*, November 25, 1933, p. 283.

[11] *Congressional Record*, vol. 79, pt. 5, p. 5721.

[12] *Ibid.*, p. 5617.

With respect to the effect upon our international relations, the Committee desires to stress the fact that such unilateral assumption of authority over foreign shipping will be contrary to the accepted practices of international law and in conflict with those provisions in our treaties guaranteeing in return for the right of free access of foreign shipping to American ports, free access for American shipping to foreign ports. Moreover, even though no technical violation of treaties were involved, such arbitrary assumption of regulatory powers over the rates charged by foreign vessels would be almost certain to lead to retaliatory measures in foreign countries against the ships and commerce of the United States. To the initial burdens upon our commerce would therefore be added those arising from such retaliation; and in the final outcome both American shipping and American foreign trade, upon which the prosperity of our shipping depends, instead of being assisted, would be seriously handicapped.

811.801/592

The Danish Minister (Wadsted) to the Secretary of State

WASHINGTON, May 10, 1935.

SIR: With reference to my note of March 18, 1935 I have the honor to address you on the following subject:

Two bills of the same tenor concerning the development of the American merchant marine, S. 2582 and H. R. 7521 have recently been introduced respectively in the Senate and the House of Representatives. Hearings have taken place in the Senate Committee on Commerce and the bill S. 2582 has been redrafted. In the form in which it is presently submitted to hearings (Committee print No. 3 of April 30th 1935) it contains among others the following provisions:

1) *Title VII. Section 701 (3)* provides that paragraph (*b*) of section 19 of the Merchant Marine Act, 1920, be amended, so that the "United States Maritime Authority", proposed by the Bill to be vested with the powers formerly granted the "United States Shipping Board" etc., be further authorized "to prescribe and order enforced the minimum and maximum rates, fares and charges, which may be charged and rules and practices to be observed by vessels documented under the laws of the United States or foreign vessels in the foreign trade of the United States".

Such an extension of the power granted the "Authority" would, if enacted, in its application to foreign vessels go even further than the powers recently proposed by the "Shipping Board Bureau" and in the so-called Eastman-Bill (S. 1632 and H. R. 5379) mentioned in my note of March 18, 1935, inasmuch as no exception is made with regard to "cargo loaded and carried in bulk without mark or count" nor to

"tramps". My Government is therefore still more of the opinion that a measure such as quoted would, as far as Danish ships are concerned, not appear to be in accordance with the rights secured by treaty and the generally recognized principles of international law, granting free access to ports for the purposes of international trade as well as with the universally recognized principle of "the freedom of the seas". Accordingly I have the honor to request that through your good offices the attitude of the Danish Government with regard to this new proposed provision may be brought to the early attention of the appropriate branches of the American Government with a view that the bills may be so worded as to eliminate foreign (Danish) vessels.

I further beg leave to invite your attention to

2) *Section 1006* which contains a provision giving the "Authority" the power to permit members of conferences to make agreements in writing for what is generally known as "deferred rebates", thus to employ a method of competition which, at the same time, is illegal and punishable for independent operators. A very considerable part of Danish shipping engaged in trade with the United States is operated by independent owners and such owners would consequently, if such a provision should be enacted, be placed in a position of decided disadvantage in the exercise of their rights as shipping-operators.

My Government fears that if such measures as the ones mentioned should become effective they would have serious consequences for Danish shipping now engaged in American trade and acting upon instructions from the Danish Minister of Foreign Affairs I have the honor to request that, through your good offices, due consideration may be given to the views of the Danish Government as outlined above, in the further procedure with regard to the said bills.

I avail myself [etc.] OTTO WADSTED

811.801/591

The Norwegian Minister (Morgenstierne) to the Secretary of State

WASHINGTON, May 15, 1935.

SIR: I have been instructed by my Government to invite your attention to certain clauses in a Bill—S. 2582–H. R. 7521—actually under consideration by the appropriate committees of the United States Senate and House of Representatives.

This Bill, entitled "A Bill to develop a strong American merchant marine, to promote the commerce of the United States, to aid national defense, and for other purposes" contains certain provisions regulating rates and freights which would, according to the wording of the Bill, affect foreign flag ships. I have the honor to refer especially to section 701, (2) amending section 19, *b* of the Merchant Marine

Act of 1920 by adding the following words: ". . . and to prescribe minimum and maximum rates, fares and charges, rules, and practices which may be charged and enforced by vessels documented under the laws of the United States or foreign vessels in the foreign trade of the United States."

According to section 1006 of the Bill exemption from rates and freights thus prescribed may be permitted to members of conferences. Incidentally, it is observed that the Bill contains no such exceptions with regard to ocean tramps as are contained in other measures for regulation of shipping actually under consideration by administrative and legislative branches of the United States Government.

My Government has instructed me to state that they regard these regulatory provisions, in as much as they provide for control and regulation of freights, rates, charges and other matters with regard to Norwegian ships, in the same light as the Bill S. 1632 and the regulations proposed by the Shipping Board Bureau under section 19 of the Merchant Marine Act. My Government's views with regard to these measures were stated in my note of April 11, 1935, and I have been instructed again to state the Norwegian Government's concern over the consequences which would ensue from imposition of such regulatory provisions as now proposed and which, if enacted, my Government feel would not be consistent with the freedom of navigation as mutually guaranteed in the Treaty between Norway and the United States of June 5th, 1928.

Accept [etc.] W. MORGENSTIERNE

811.801/593a

The Secretary of State to the Chairman of the House Committee on Merchant Marine and Fisheries (Bland)[13]

WASHINGTON, May 15, 1935.

MY DEAR MR. BLAND: I am informed that the ship subsidy and water carrier bills (H. R. 7521 and 5379 respectively) now pending before the Committee on Merchant Marine and Fisheries contain provisions for the regulation by governmental authority of rates, fares and charges of foreign ships in our commerce, and as this would directly affect our foreign relations and the problems of commercial policy with which my Department is concerned, I feel that I should not fail to make clear the fact that such provisions are, to my mind, open to certain serious objections.

I can understand that the regulation of the rates charged by vessels in our domestic commerce may be necessary, but I think it important

[13] Similar letters were sent on May 16, 1935, to Royal S. Copeland, Chairman of the Senate Committee on Commerce, and Burton K. Wheeler, Chairman of the Senate Committee on Interstate Commerce.

to keep clearly in mind the essential distinction between that commerce which both begins and ends within our territory, and the foreign commerce which at one end or the other enters into the jurisdiction of another government.

I do not feel that an attempt by this Government to prescribe minimum rates which may be charged by foreign vessels on the cargoes which they carry between American and foreign ports would be in harmony with that basic principle in our treaty structure under which we have granted to foreign shipping the right of free access to our ports and in return have obtained for our ships the right of free access to foreign ports. Certainly such regulation would be in conflict with the generally accepted practices of international law. It is pertinent to observe that when, last year, a code of fair competition for the shipping industry was under consideration,[14] which would have authorized the regulation of the rates of foreign vessels with respect to traffic into and out of our ports, representations were made by several foreign governments to the effect that such regulation would be in violation of treaty rights. On April 5, I transmitted to you a copy of a note from the Danish Minister in Washington[15] expressing his Government's objections, on similar grounds, to the relevant provisions of the Eastman water carrier bills, and I am sending you separately a copy of the same Minister's more recent note[16] relating to the corresponding provisions of the ship subsidy bills.

As you are doubtless aware, the proposed code of fair competition for the shipping industry referred to above failed to receive the President's approval, and one of the principal objections raised against it related to the provisions for regulation of rates in foreign commerce.

In my opinion, a most serious objection to any unilateral attempt by this Government to fix rates in foreign commerce lies in the fact that this procedure would add one more form of restriction to the entangled and conflicting mass of nationalistic restrictions from which our foreign trade is suffering today. The impracticability of such unilateral regulation can readily be appreciated if one considers the impasse that would result if another government should adopt the same practice, but should prescribe rates covering its trade with us differing from those our authorities prescribed for the very same trade. It is fundamental that any method of control or stabilization of shipping rates, fares and charges in foreign commerce must, if it is to operate satisfactorily, be formulated with due regard to the fact that the carrying of our foreign trade takes place in part on the high seas and in part within the jurisdiction of foreign governments.

[14] See *Foreign Relations*, 1934, vol. I, pp. 681 ff.
[15] *Ante*, p. 468.
[16] *Ante*, p. 475.

The Executive Committee on Commercial Policy has adopted, and requested me to transmit to you, a resolution on this subject which has my full concurrence, and which I am accordingly sending to you as an inclosure [17] to this letter. I hope that the Committee on Merchant Marine and Fisheries will be good enough to give consideration to the remarks I have expressed in the foregoing paragraph and to the enclosed resolution.

For the convenience of your Committee, in view of the advanced stage which I understand the Committee has reached in its consideration of the ship subsidy and water carrier regulation bills, a copy of this letter is being transmitted to each member.

Sincerely yours, CORDELL HULL

811.801/621

Memorandum by the Under Secretary of State (Phillips)

[WASHINGTON,] June 18, 1935.

I asked the President whether, in fact, he was planning a conference to consider ship subsidy legislation. He said he was not planning any such conference and seemed not to be interested in it. I said that, if he had been going to discuss it, I wanted to bring to his attention the Secretary's letter to Senator Copeland,[18] which was a very important statement and which he would naturally wish to see. The President, however, did not seem to wish to go into the matter and I did not, therefore, leave this letter with him.

WILLIAM PHILLIPS

811.801/639

Memorandum by the Assistant Chief of the Division of Trade Agreements (Deimel)

[WASHINGTON,] August 16, 1935.

A revised ship subsidy measure has been introduced into the Senate by Senator Copeland, "by request" (S. 3376, July 29, calendar day, August 6, 1935 [19]) in place of the bill which he withdrew following the passage of Congressman Bland's Bill by the House.[20]

This new bill differs in a number of important points not only from Senator Copeland's earlier bill, but also from the Bland Bill. It provides for subsidies (*a*) for ship building to meet the difference between foreign and domestic construction costs, and (*b*) for operation

[17] *Ante*, p. 474.
[18] See footnote 13, p. 477.
[19] *Congressional Record*, vol. 79, pt. 12, p. 12534.
[20] The Bland Bill, H. R. 8555, known as the Merchant Marine Act of 1936, was passed by Congress and approved June 29, 1936; 49 Stat. 1985.

to meet the difference between foreign and domestic operating costs, but contains no provision for the third, "trade penetration" or "fighting ships" subsidy. Likewise, the earlier proposals to give specific authorization to the maritime authority for the fixing of rates in foreign commerce are omitted.

Accordingly, aside from the inclusion in the declaration of policies that the United States should have:

". . . a merchant marine sufficient to carry its domestic water borne commerce and at least one-half of the water borne export and import foreign commerce of the United States,"

The principal features in the earlier subsidy bills to which the Department might have serious objections have been eliminated from this bill.

REPRESENTATIONS BY CERTAIN FOREIGN GOVERNMENTS AGAINST INCOME TAX IN THE UNITED STATES ON NON-RESIDENT ALIENS

811.5123/2300

The British Embassy to the Department of State

AIDE-MÉMOIRE

Considerable anxiety has been aroused in Great Britain as well as, it is understood, in other countries, by the proposal to levy United States income tax on non-residents who have made profits in the United States of America through brokers or other agents in stocks, bonds or commodities during 1929 and subsequent years. It is feared that the proposal, if carried out, would certainly have a cramping effect on the normal and salutary operations of world-wide commerce. It would, for instance, cripple hedging and straddling operations in the American market which are necessary for dealing in cotton and other commodities, and would thus have a very injurious effect on trade. As regards security transactions it is felt that since the tax liability could be escaped by foreigners by the method of carrying out the transactions outside the United States, the attempt to levy the tax would result in very considerable hindrance and inconvenience to business without any useful result to the United States Treasury.

In these circumstances His Majesty's Government in the United Kingdom desire to call the attention of the United States Government to the following considerations:—

(1) Under the British Finance Act of 1925 [1] it is provided in effect that a non-resident in Great Britain is not liable for income tax in respect of any sales or transactions carried out by him through the medium of a broker in Great Britain in the ordinary course of brokerage business, in other words, the income tax charge of the United Kingdom does not extend to trading operations by foreigners of the kind now in question. In these circumstances it is suggested that consideration should be given to the question whether a similar exemption should not be conferred on trading operations of this kind in the United States by British nationals, rather than that liabilities should be placed on United Kingdom concerns for past years when no liability

[1] British Law Reports . . . 15th and 16th Years of the Reign of George the Fifth (London, 1925), vol. II, pp. 1106, 1119.

was believed to exist and when no action was taken by the United States Taxation Authorities to suggest that any liability did exist.

(2) It is understood that the claims now made are based upon a law [2] which has been in force for thirteen years but that no claim of the kind now made has hitherto been advanced under it. It is assumed therefore, that it was previously not considered to relate to these transactions. The Acts and Regulations referred to by the Taxation Authorities, though containing many provisions for the withholding of tax from salaries, dividends, interest, etc., contain no provisions for enforcing collection of tax on a charge of the kind now in question. It thus appears that advantage is now being taken of the wide terms of a taxing statute to lay new liabilities retrospectively on the trading operations of past years which were carried out in all good faith on the basis that no income tax liability attached to them. The proposal to raise assessments for past years is in substance to declare past transactions now to be liable to tax which were not regarded as liable at the time when the transactions were effected. This would be unjust to trade and inconsistent with the recognised canons of taxation.

(3) As regards future years, it is hoped that the United States law may be amended so as to confer on non-residents in respect of brokerage transactions an exemption similar to that given by the law of the United Kingdom to United States concerns carrying out similar transactions through brokers in the United Kingdom. The firms in question generally have no branch in the United States and their transactions are brokerage transactions carried out through brokers in the United States markets. These transactions are essential for the marketing of cotton and other commodities, and any attempt to tax them will react to the prejudice of both producer and consumer by restricting transactions which experience has shown to be necessary for the successful working of produce markets. It is understood that the United States authorities have suggested that a distinction might be drawn between speculative and other transactions and that the liability to tax would be confined to the former. In actual practice it would be practically impossible to make any such distinctions but even if it were possible, it is not considered that the speculative transactions possess any peculiar characteristics that would warrant their taxation. The marketing of cotton must involve dealings in futures. It is in the interests of both producer and consumer that there should be prices for buying and selling in the future and the speculative transactions are an essential ingredient in the working of the market to provide a future price level for those interests that are concerned in handling the actual commodity.

[2] Presumably the Revenue Act of 1921, 42 Stat. 227.

(4) It would be practically impossible to assess and collect a tax on these transactions in any manner that could claim to be a fair levy. These transactions are of an international character and are marked by the characteristic that as between any two countries a gain emerging from one end is associated with a loss emerging at the other end. The operations of the market extend over several countries and the transactions between the United States and the United Kingdom may be linked up directly or indirectly with transactions between other countries, so that the gain made at the United States end of a transaction cannot be regarded as a gain that really arises from a source within the United States.

(5) Finally, it is believed that any attempt to tax these operations will gravely prejudice trading relations between the United Kingdom and the United States and will tend to drive business into other channels. From the point of view of the American interests it may be pointed out that straddling business will cease at once and business in futures for hedging purposes will tend to be diverted from American markets. Once it becomes the general practice to hedge in markets outside the United States it will take years for the American markets to regain the business. The increase in the cost of American cotton to the spinner will not have the effect of raising the price to the producer because exports will fall and American stocks increase with a consequent fall in price for the American farmer.

WASHINGTON, December 17, 1934.

811.5123/2307

The French Embassy to the Department of State

[Translation]

The attention of the French Government has been called to the fact that, in the last few months, the Treasury Department has decided, in application of a rule which appears for the first time in the fiscal law of 1916,[3] to levy taxes upon profits made in the United States since 1929 by non-resident foreigners.

The decision of the American Treasury Department has caused deep feeling in France. The heads of numerous commercial and financial establishments operating for their own account on the markets of the United States have pointed out that the profits made by them in this country were often apparent, and that they were offset by losses suffered as the result of transactions effected on a foreign market.

Furthermore, the middlemen who execute the orders of their clients in the United States believe that it is not possible for them to pay, for the account of the latter, taxes which they thought they were justi-

[3] 39 Stat. 756.

fied in not deducting, and which it would be difficult for them to recover today from their clients, many of whom have disappeared.

Moreover, they believe that the rules of professional secrecy do not allow them to reveal to the American authorities the names of third parties for whose accounts they have carried on transactions.

It is to be feared that, if the Treasury persists in its intention to tax all the profits made by nonresident foreigners in the United States, a large number of French firms will, in the future, discontinue doing business on the United States markets, which would bring about a material reduction of economic and financial exchanges from which our two countries have derived the greatest advantages in the past.

Finally, it must be noted that French legislation, in matters of taxes levied upon profits from stock market transactions, has always been of an extremely liberal nature. The capital earnings resulting from differences between purchase and sale prices of merchandise and values have always been tax-exempt in France. By virtue of Article 18 [*sic*] of the decree of July 20, 1934,[4] reproducing previous legislative provisions, only the proceeds of stock market operations carried on habitually, by persons having a permanent professional installation in France, are subject to taxation.

Pursuant to the instructions which it has received, the French Embassy has the honor to request the Department of State to be kind enough to call the attention of the proper Federal authorities to the serious disadvantages involved in the application of the Federal fiscal law of 1916 to French nationals not residing in the United States.

The French Government hopes that it will be possible for the Federal authorities to consider a modification of the law in favor of its nationals.

WASHINGTON, January 15, 1935.

811.5123/2810

The Secretary of State to the French Ambassador (Laboulaye)

The Secretary of State presents his compliments to His Excellency the Ambassador of the French Republic, and has the honor to submit to His Excellency a portion of a report received from the Treasury Department regarding the taxes levied upon profits made in the United States since 1929 by non-resident foreigners, which was the subject of His Excellency's inquiry in the note of January 15, 1935.

"The note reflects the existence of an impression that in taxing income of non-resident aliens, the United States is adopting a new fiscal policy, but actually the policy is of comparatively long standing. The

[4] See article 78, Annex to the decree of July 20, 1934, *Journal Officiel*, July 21, 1934, p. 7398.

Act of October 3, 1913,[5] imposed a tax upon certain income derived from sources within the United States by non-resident alien individuals and foreign corporations, and all subsequent Revenue Acts have contained provisions rendering such individuals and corporations liable to income taxes upon income realized within the United States. Due to recent vigorous efforts to obtain information concerning gains derived by these taxpayers, a misapprehension as to the novelty of the matter has occurred in a number of instances.

"Protests have been made previously against the vigorous enforcement of the provisions of statutes taxing income realized by non-resident aliens and foreign corporations from sources within the United States, and since the objections raised suggest that vital questions of international commerce may be involved, all phases of taxation of foreign individuals and corporations are being made the subject of careful study. As soon as a definite conclusion has been reached, you will be immediately advised."

WASHINGTON, February 16, 1935.

811.5123/2311 : Telegram

The Chargé in the United Kingdom (Atherton) to the Secretary of State

LONDON, February 21, 1935—4 p.m.
[Received 12:22 p.m.]

76. Embassy has received various requests, including one from London's largest retail establishment, inquiring as to truth of press reports published here that United States Treasury is enforcing article 674 of the Income Tax Regulations[6] under which British subjects visiting America for business must pay tax on that portion of their British salaries which accrues while they are in the United States. Business houses point out this raises a serious question in regard to their buyers visiting America and I should appreciate data to enable me to make adequate reply.

ATHERTON

811.5123/2318 : Telegram

The Secretary of State to the Ambassador in the United Kingdom (Bingham)

WASHINGTON, March 27, 1935—4 p.m.

68. Your telegram 76, February 21, noon [*4 p. m.*]. Treasury Department states that under the Revenue Acts of 1932 and 1934 and

[5] 38 Stat. 113.

[6] U. S. Treasury Department, Bureau of Internal Revenue, *Regulations 77 Relating to the Income Tax Under the Revenue Act of 1932*, p. 214.

Regulations promulgated thereunder British subjects who are nonresident aliens as to the United States and who come here for business purposes are liable for Federal income tax on their income received as compensation for services performed in this country. It is added that while the conclusions set forth appear to be inescapable under existing law consideration is being given to the advisability of recommending to Congress a change which would alleviate the hardships involved.

A copy of Treasury letter [7] is being forwarded by mail.

HULL

811.5123/2321

The French Embassy to the Department of State

[Translation]

AIDE-MÉMOIRE

WASHINGTON, April 5, 1935.

In a note of January 15, 1935, the Embassy had the honor to draw the attention of the Department of State to the unfavorable consequences to Franco-American trade involved by the application of a decision of the Treasury Department to tax, in execution of the fiscal law of 1916, the profits earned since 1929 in the United States by nonresident foreigners, and particularly French nationals.

In reply to the said communication, the Department of State was good enough to advise, under date of February 16, that the Treasury Department services were undertaking a general study of the subject of the fiscal régime of individuals and companies of foreign nationality in the United States, in connection with international trade.

In view of the proof of good will that the French Government has just given to the American Government by ratifying the instrument of the agreement of 1932 on double taxation,[8] the French Embassy would attach great importance to being informed of the results of the said studies, and would be happy to know whether the Federal authorities contemplate the early adoption of measures capable of correcting the difficulties which the present situation causes to French commercial and financial establishments operating in the markets of the United States.

[7] Dated March 23, 1935, not printed.

[8] Signed at Paris, April 27, 1932, *Foreign Relations*, 1932, vol. II, p. 268.

102.02 Taxation/200

The Secretary of State to the Chairman of the Committee on Foreign Affairs of the House of Representatives (McReynolds)

WASHINGTON, April 25, 1935.

MY DEAR MR. MCREYNOLDS: I enclose a draft of a bill [9] entitled "A bill to exempt from taxation, under certain conditions, on the basis of reciprocity official compensation of a Consular Officer, Non-diplomatic Representative, or Employee, of a Foreign Country".

The proposed legislation is considered necessary on account of the ruling made by the Secretary of the Treasury in a letter dated August 7, 1934.[10] Prior to that date the Treasury Department had granted exemption from the payment of income tax in respect to the official compensation of consular officers, non-diplomatic representatives or employees of foreign governments carrying on their official duties in the United States.

Article 641 of Income Tax Regulations [11] issued by the Bureau of Internal Revenue, Treasury Department, under the Revenue Act of 1932,[12] provided as follows respecting the exemption granted to foreign consular officers and employees in foreign consulates in the United States:

"All foreign consular officers and employees in foreign consulates in the United States who are nationals of the States appointing them are exempt from Federal income tax with respect to wages, fees, and salaries received by them in compensation for their consular services, provided the appointing State grants a similar exemption to citizens of the United States who are American consular officers or employees of the American consulates in such State. The income received by foreign consular officers and employees of foreign consulates from investments in the United States in bonds and stocks and from interest on bank balances as well as income from any business carried on by them in the United States is subject to Federal income tax.

"The compensation of citizens of the United States who are officers or employees of a foreign government is not exempt from income tax. (But see section 116 (*a*).[13])"

I enclose extracts from the letter of the Secretary of the Treasury of August 7, 1934, from which you will note that the Treasury Department has granted exemptions from the payment of income taxes in

[9] Not printed; its provisions were substantially embodied in H. R. 7998, approved August 27, 1935: "An Act to exempt from taxation official compensation of certain foreign representatives and to provide for the deductibility from income of certain dividends on preferred stock owned by the United States or instrumentalities thereof", 49 Stat. 908.

[10] Not printed.

[11] U. S. Treasury Department, *Regulations 77*, p. 199.

[12] 47 Stat. 173.

[13] U. S. Treasury Department, *Regulations 77*, p. 197.

respect to official compensation of such persons beginning with the Revenue Act of 1924[14] and continuing under the Revenue Acts of 1926,[15] 1928[16] and 1932, but that "the practice is one which, however meritorious from the standpoint of administrative policy or expediency, is now regarded by this (Treasury) Department as indefensible from the standpoint of the law". It is also stated in the Secretary of the Treasury's letter that "in denying the right of exemption, the policy referred to was definitely repudiated and abandoned on the ground, there fully discussed, that this (Treasury) Department is without constitutional authority to formulate governmental policies with respect to exemptions of representatives of foreign governments from taxation not authorized by international law, by Congress, or by treaty".

As I believed the decision of the Secretary of the Treasury with regard to this matter would cause foreign governments to subject consular officers, non-diplomatic representatives and employees of the United States, carrying on their official duties abroad, to the payment of income taxes, and possibly other charges, I persuaded the Secretary of the Treasury to postpone the issuance of a proposed amendment of Article 641 of the Income Tax Regulations 77 by striking out the exemption of foreign consular officers and employees in foreign consulates, pending the submission of the matter to the Congress for its determination whether the exemptions which have been granted on a reciprocal basis for more than ten years in respect to the official compensation of such officers and employees, should be continued by express enactment of the Congress.

I have obtained complete information from American missions abroad regarding the present practice of foreign governments respecting the exemption of such official compensation from taxation, and I shall be glad to submit it to you for the use of your committee if you desire it. The reports received indicate that exemptions are granted generally upon a reciprocal basis and consequently if the new ruling of the Treasury Department is put into effect American consular officers, non-diplomatic representatives and employees in many foreign countries will be obliged to pay income taxes there on their official compensation. You doubtless know that the rates of taxation in foreign countries are usually higher than those imposed in the United States, the exemptions from taxation are less, and the tax is imposed upon smaller incomes than is the case in the United States. I have no doubt that our consular officers, non-diplomatic representatives and employees abroad will suffer a substantial reduction in the amount of their income available for meeting their normal

[14] 43 Stat. 253.
[15] 44 Stat. 9.
[16] 45 Stat. 791.

expenses. The difficulties already experienced by these American officers and employees have previously been recognized by Congress in the enactment of the Act approved March 26, 1934, entitled "An Act to authorize annual appropriations to meet losses sustained by officers and employees of the United States in foreign countries due to appreciation of foreign currencies in their relation to the American dollar, and for other purposes." (48 Stat. 466).

I, therefore, believe that the draft legislation transmitted herewith should be enacted by Congress at an early date and thereby it will be possible to avoid the adverse effects of the ruling that has been deemed necessary by the Treasury Department. I shall be glad to furnish the committee, if you so desire, with lists of the officers and employees of this Government in foreign countries and information concerning the foreign laws, decrees, and regulations which would become applicable to them in the absence of some such provision as suggested in the draft bill.

Sincerely yours, CORDELL HULL

811.5123/2345

The Netherland Legation to the Department of State

AIDE-MÉMOIRE

No. 2115

Lately numerous private persons, firms and corporations in the Netherlands have received intimations from the United States Bureau of Internal Revenue to file returns for income received from transactions on stock exchanges in this country since 1929.

In these intimations the recipients were also informed that failure to comply within a specified period would mean the imposition of a fine and the levying of interest for delay in payment of the taxes which might be assessed.

As American citizens or organizations, non-residents of the Netherlands, are not required to pay income tax for profits derived from transactions on the stock markets in that country, the Netherland Government wonders if the action taken by the United States Bureau of Internal Revenue is not due to a misunderstanding.

As stated, the Bureau's requests for information show that the intention is to assess taxes for income received since 1929.

If the intention to assess taxes for income received since 1929 should be carried into effect, the result would mean a great and undeserved hardship on the people and organizations concerned, who had no knowledge and could hardly be expected to have any knowledge that they would be held liable to taxation, a hardship which would even be

increased if the imposition of fines and interest with which they are threatened, should actually take place.

It need not be explained that a tax as that which forms the subject of this *aide-mémoire* might harmfully affect the trade relations between our two countries by forcing the parties affected to divert their business to markets outside the United States.

The Netherland Government is anxious to discuss this and other tax matters with the United States Authorities in order to come to an agreement to prevent double taxation and would appreciate it if no further action were taken by the Bureau of Internal Revenue in the matter set forth above pending the outcome of the discussions.

The Netherland Government has in mind to base the agreement on the principle that individuals, firms and organizations of one country shall only be taxed in the other—as far as the results of their trades and industries are concerned—if these individuals, firms etc. maintain a definite residence or establishment in the latter for the transaction of their business or if they carry on their trades through a representative, resident in the latter country, who holds a full power of attorney to transact business on their behalf; the transaction of business through a broker not to be taxed in the country in which the broker is established.

The Netherland Government also suggests that the exemption to be provided by an agreement do not apply to the types of income referred to sub I (*a*) of the Protocol to the Convention on Double Taxation concluded between the United States and France, signed at Paris on April 27, 1932.

WASHINGTON, June 21, 1935.

811.5123/2852

The Secretary of State to the Netherland Minister (Van Haersma de With)

WASHINGTON, August 28, 1935.

SIR: I refer to the Netherland Legation's *Aide-Mémoire* No. 2115, dated July 1 [*June 21*], 1935, reporting that notices have been received by Netherland citizens and corporations to file returns for income received from transactions on stock exchanges in the United States since 1929 and proposing, therefore, that an agreement be entered into between the United States and the Netherlands with a view to preventing double taxation.

The Acting Secretary of the Treasury has now informed me that he approves in general of the reduction or elimination of double taxation of income by reciprocal treaty arrangements but that the Treas-

ury Department cannot commit itself with regard to the merits of the plan proposed by the Netherland Legation as the suggested plan is not sufficiently detailed with regard to certain important problems relating to double or multiple taxation, such as the formula for allocating income to activities in the various taxing jurisdictions, the correlation and definition of basic terms in the revenue acts of the respective contracting parties, the maintenance of proper accounts by foreign businesses and other related problems.

Accept [etc.] For the Secretary of State:
R. WALTON MOORE

811.5123/2353

The Swedish Chargé (Wijkman) to the Secretary of State

The Chargé d'Affaires a. i. of Sweden presents his compliments to The Honourable, the Secretary of State, and has the honour to ask for the good offices of the Department of State in the following matter.

According to information received, Swedish business men visiting the United States for the purpose of buying goods or studying the market have recently in many cases been required to pay income tax for the time spent in this country, based upon their income in Sweden.

Thus, the Swedish Chamber of Commerce in New York has called the attention of this Legation to the case of the Sales Manager of a Swedish manufacturing company, who spent about two months in the United States for the principal purpose of studying the possibilities for the purchase of machinery equipment for the Swedish factory. In spite of the fact that during that time he did not receive any income from sources within the United States, an income tax was imposed on part of his Swedish income, the apportionment apparently being made on the basis of the time spent in this country. The Income Tax Return is hereby enclosed.[17]

Similar circumstances have also been brought to the Legation's attention in regard to a business visit to this country of a representative of a Swedish Lithographic concern during which orders for machinery equipment amounting to a considerable sum were placed with American firms. On leaving this country the person in question was likewise called upon to pay income tax, imposed under the same conditions. Only after further investigation of the source of his income during the period of his stay in the United States, was he granted exemption from tax liability in this connection. Correspondingly, the Managing Director of a Swedish steel manufacturing company experienced some difficulty in obtaining a sailing permit, pending investigation in regard to alleged income tax liability.

[17] Not printed.

In view of the foregoing, the Chargé d'Affaires a. i. would highly appreciate it, if information could be obtained on the following points:

1. On what regulations have the competent authorities based their action in imposing a tax in instances of the kind mentioned?
2. On the basis of these regulations, has an established practice been laid down for determining the categories of aliens who are taxable, and is this practice observed regardless of the length of time during which the alien stays in the United States?

WASHINGTON, August 30, 1935.

811.5123/2357

Memorandum by the Egyptian Chargé (Khalil Bey)[18]

Nicolas Khalil Bey, Chargé d'Affaires of Egypt, called on the Director of the Near Eastern Division of the Department of State to-day in accordance with instructions received from the Egyptian Government, and made the following communication:—

The Egyptian Government possesses French State bonds bought in dollars on the New York Stock Exchange, and deposited in a bank in that City. The said bank collects payment in dollars on the coupons due thereon and converts these amounts into pounds sterling. These sums are then sent to the London correspondent of the National Bank of Egypt to be credited to the Egyptian Government.

These bonds, being payable to the bearer, are not registered.

The Egyptian Government has been informed lately that when the coupons were presented for payment in New York difficulties arose at the paying bank, which believes that the American income tax should be paid on the coupon revenue, though until the last payment no tax has been paid.

As the income or redemption of these bonds is not the result of commercial operations in the United States, but is derived from payments made by the French Government; and as the Egyptian Government is not a commercial organisation dealing in commercial operations in the United States; it cannot be said that the Government should pay income tax.

The competent authorities have requested the Chargé d'Affaires to investigate the exact situation regarding these bonds and to find out whether any tax is due by the Egyptian Government, either to the State of New York or to the Federal Government in connection with revenue from French bonds deposited in a New York bank.

The Chargé d'Affaires of Egypt has been requested also to enquire whether the Egyptian Government would owe any tax on bonds issued

[18] Left at the Department by the Chargé on September 27, 1935.

by American Corporations, Foreign States or Governments bought under the same conditions and deposited in the same manner in the future.

WASHINGTON, 23 September, 1935.

811.5123/2358

The Secretary of State to the Swedish Minister (Boström)

The Secretary of State presents his compliments to the Honorable the Minister of Sweden, and refers again to a note from the Chargé d'Affaires ad interim dated August 30, 1935, regarding the payment by Swedish business men, visiting the United States for the purpose of buying goods or studying the market, of a tax based upon their income derived from Sweden.

The appropriate authorities of this Government have advised the Secretary of State, in response to the Chargé d'Affaires' inquiries that the general rule stated in section 211 (*a*) of the Revenue Act of 1934[19] is that in the case of a non-resident alien individual gross income includes only the gross income from sources within the United States. It is specifically provided in section 119 (*a*) (3) of that Act that compensation for labor or personal services performed in the United States shall be treated as income from sources within the United States. Article 119–4 of Regulations 86 pertaining to the income tax under the Revenue Act of 1934 provides that gross income from sources within the United States includes compensation for labor and for personal services performed within the United States regardless of the residence of the payor or the place in which the contract for services was made, or of the place of payment. Section 146 (*e*) of the Revenue Act of 1934 provides that no alien shall depart from the United States unless he first procures from the collector or agent in charge a certificate that he has complied with all the obligations imposed upon him by the income, war-profits, and excess-profits tax laws. It follows, therefore, that under the Revenue Act of 1934 and Regulations 86 a non-resident alien who comes to the United States for business purposes is liable for Federal income tax on income received as compensation for services performed in this country and that such tax as may be due and owing is required to be paid before he is permitted to leave the United States.

Applying these general statements to the case of Mr. Engstrom, mentioned in the note of the Chargé d'Affaires, he was liable to Federal income tax upon the compensation received for services rendered by him in the United States during his stay therein regardless of its

[19] 48 Stat. 680.

duration, and the amount of tax due was required to be paid prior to his departure from the United States.

The specific provision of law which treats as income from sources within the United States the amount received as compensation for labor or personal services performed in the United States is not new, but was contained in the Revenue Act of 1921 and was reenacted without change in each subsequent revenue act. The method of taxing the income of non-resident aliens in this respect has thus existed over a period of several years.

While the conclusions set forth above appear to be inescapable under the existing tax laws of the United States, the Minister is informed that consideration is being given to the advisability of recommending to the Congress changes in the law which would tend to alleviate the situation discussed above.

The enclosure [20] to the note of the Chargé d'Affaires is returned herewith.

WASHINGTON, October 8, 1935.

811.5123/2360

The Secretary of State to the Egyptian Minister (Ratib Bey)

The Secretary of State presents his compliments to the Honorable the Appointed Minister of Egypt and, with reference to the memorandum which the Chargé d'Affaires left at the Department of State on September 27, 1935, regarding the taxation of certain securities owned by the Egyptian Government and deposited in a bank in New York, quotes below an excerpt from a communication from the appropriate Department of this Government: [21]

"There is no provision in the Federal income tax law for taxing income of foreign governments. Section 116 (*c*) of the Revenue Act of 1934 specifically states that the income of foreign governments received from investments in the United States in stocks, bonds, or other domestic securities, owned by such foreign governments, or from interest on deposits in banks in the United States of moneys belonging to such foreign governments, or from any other source within the United States shall be excluded from gross income and shall be exempt from taxation. There has been no change in this provision in the Revenue Act of 1935."

The question of taxation of the above-mentioned securities by the State of New York is being taken up with the appropriate authorities of that state and as soon as a reply is received the Minister will be advised.

WASHINGTON, October 15, 1935.

[20] Not printed.

[21] Letter of October 8, 1935, from the Acting Secretary of the Treasury to the Secretary of State.

811.5123/2365

The Secretary of State to the Egyptian Minister (Ratib Bey)

The Secretary of State presents his compliments to the Honorable the Minister of Egypt and, with further reference to a memorandum which the Chargé d'Affaires left at the Department on September 27, 1935, concerning the taxation of certain securities owned by the Egyptian Government and deposited in a bank in New York, quotes below an excerpt from a letter from the Governor of the State of New York:[22]

"The Commissioner of Taxation and Finance advises me that you may assure the Egyptian Chargé d'Affaires that the State of New York has no tax which expressly or by implication taxes the French Government Dollar Bonds as property, or the income therefrom, or the transfer thereof, under the circumstances set forth in your communication."

WASHINGTON, November 2, 1935.

[22] Dated October 28, 1935.

INQUIRY BY THE NANSEN INTERNATIONAL OFFICE FOR REFUGEES CONCERNING THE POSSIBILITY OF SETTLING REFUGEES IN THE UNITED STATES

548.F1/19

The Minister in Switzerland (Wilson) to the Secretary of State

No. 3970 BERN, July 22, 1935.
[Received July 30.]

SIR: I have the honor to transmit herewith Circular Letter No. 111 addressed to you on July 19, 1935 by the Secretary General of the League of Nations, requesting information regarding the possibility of settling refugees in the United States. Any information which the Secretary General receives will be transmitted to the Nansen International Office.

Respectfully yours, For the Minister:
STANLEY HAWKS
Secretary of Legation

[Enclosure]

Circular Letter by the Secretary General of the League of Nations (Avenol)

No. C.L.111.1935.XII.

RUSSIAN, ARMENIAN, ASSYRIAN, ASSYRO-CHALDEAN AND TURKISH REFUGEES: SETTLEMENT OF SUCH REFUGEES IN OVERSEA COUNTRIES

The Secretary-General has the honour to draw the attention of the Government of the United States to the report of the Inter-Governmental Advisory Commission for Refugees on the work of its seventh session (document C.137.M.71.1935 XII) and to the report submitted to the Council (eighty-sixth session) on this subject by the representative of Mexico (document C.200.1935.XII). Acting upon the recommendations of the Inter-Governmental Advisory Commission, the Council of the League of Nations instructed the Secretary-General to inform the Governments of the countries concerned of the keen desire expressed by the Inter-Governmental Commission and the Assembly of the League—which made known its views on this subject at its fifteenth session—that the various Governments should com-

municate to the Nansen International Office information regarding the possibility of settling refugees in the territory of the United States.

The Secretary-General will duly transmit any information on this subject which he may receive from the Government of the United States to the Nansen International Office.

GENEVA, July 19, 1935.

548.F1/22

The Secretary General of the Nansen International Office for Refugees (Johnson) to the Secretary of State [1]

[Translation]

Ref. No. A/80793/18766 GENEVA, August 9, 1935.

MR. SECRETARY OF STATE: In his letter C.L.111.1935.XII, dated July 19, 1935, the Secretary General of the League of Nations has brought to the attention of your Government the great desire of the Intergovernmental Advisory Commission for Refugees and of the Assembly of the League of Nations to have information, concerning the possibility to have refugees settle on your territory, sent to the Nansen International Office for Refugees.

Referring to this communication, I am taking the liberty, in the present letter, to submit to you a few suggestions as to the information which the Nansen International Office would be glad to receive.

You will no doubt remember that the Nansen International Office for Refugees was created in 1931, following a resolution adopted by the Assembly of the League of Nations, on September 30, 1930.[2] By this resolution, the Office was charged with the duty of carrying on with the tasks which were assigned to Dr. Nansen, High Commissioner of the League of Nations for Refugees. His chief purpose is to collect and to centralize information on the material and moral fate of refugees, to facilitate the settling of refugees and, to this end, to receive valuable data on the condition of labor in the countries of immigration.

The number of refugees over which the jurisdiction of the Office extends, and which includes Russian, Armenian, Assyrian, Assyro-Chaldean, Saar and Turkish refugees is about one million. Although they are capable of working, tens of thousands of these refugees are now without work in different countries. For the greater part, they reside in the following countries: Germany, Belgium, Bulgaria, China, the Baltic States, France, Greece, Rumania, Czechoslovakia and

[1] Transmitted by the Chargé in Switzerland in his despatch No. 4014, August 16; received August 23.

[2] League of Nations, *Official Journal*, November 1930, p. 1531.

Yugoslavia. A large number of them are farmers who could easily become excellent colonists. Among these unemployed refugees, there are also physicians, engineers, technicians, architects, et cetera. The Office would therefore be in a position to recruit a large number of qualified and orderly persons.

The Office would therefore be very happy to be advised as to whether your government would be willing to give favorable consideration to a plan for the introduction upon its territories of a certain number of refugees, either as colonists, or as farm hands, technicians, and specialists, hired on the basis of labor contracts. If so, the Office would be very glad to know, with respect to the first, that is, the colonists, whether and upon what conditions your government would be willing to put the following at the disposal of families (of an average number of five members: two adults, and three children below fifteen years of age), as well as to groups of two or three single persons:

1) Partly cleared lands;
2) Seeds in sufficient amount;
3) The necessary live-stock;
4) The essential agricultural implements;
5) Modest living quarters, furnished with the strict necessities.

In addition it would be necessary to provide in any proposals which you might make, for the supplies to be given the refugees until such time as they might be in a position to take care of their own needs, as well as for their transportation from Europe to the port of landing and from the port of landing to the place of destination. These different loans should be computed as accurately as possible. In case your Government would not deem it possible to consider the allocation of the sum total of these loans as advances, it would be desirable to inform the Office as to the possibility of enlisting the cooperation of mortgage banks which would grant advances to the refugees on all or part of the sums necessary to take care of their transportation and settlement.

The Office, with its long experience in matters of settling refugees—among others it established, more than 30,000 Armenian refugees were established in Syria—knows that it is possible to recover a considerable part of the sums used for this purpose, if not all. That is why it would consider a similar procedure in the case of colonists to be established on your territory. The refugees would therefore be called upon to reimburse, within a certain amount of time, the amounts required for their establishment.

As regards the second class of refugees, that is, refugees who would be hired on the basis of labor contracts, the Office would like to know the conditions under which such labor could be utilized. As I have

pointed out, the groups available for emigration included, in addition to farm laborers, many specialists in every field, and their greatest desire would be to find a haven in a country where their technical knowledge would be likely to be useful.

I would therefore highly appreciate it if, on the basis of this supplementary information, you would be kind enough to advise me of the decisions which you will have deemed it advisable to take with reference to the different recommendations to which I have referred at the beginning of this letter.

Of course, I shall be entirely at your disposal, in case you need any further information of a nature to facilitate your study of this problem.

I beg you to accept [etc.] T. F. JOHNSON

548.F1/21

The Secretary of State to the Chargé in Switzerland (Hawks)

No. 3119 WASHINGTON, August 12, 1935.

SIR: The Department has received the Legation's despatch No. 3970 of July 22, 1935, with its enclosure, circular letter No. 111 of July 19, 1935, addressed to the Secretary of State by the Secretary General of the League of Nations, requesting information regarding the possibility of settling Russian, Armenian, Assyrian, Assyro-Chaldean and Turkish refugees in the United States.

You are instructed to transmit to the Secretary General of the League the attached note with enclosed memorandum, prepared by the Visa Division of the Department.

Very truly yours, For the Secretary of State:
WILBUR J. CARR

[Enclosure]

The Secretary of State to the Secretary General of the League of Nations (Avenol)

WASHINGTON, August 12, 1935.

The Secretary of State of the United States of America has received, with appreciation, the note of the Secretary General of the League of Nations, dated July 19, 1935, asking the Government of the United States for information regarding the possibility of settling refugees in the territory of the United States, and has the honor to transmit, in reply, a memorandum for submission to the Nansen International Office.

[Subenclosure]

MEMORANDUM WITH REFERENCE TO CIRCULAR LETTER NO. 111, DATED JULY 19, 1935, FROM THE SECRETARY GENERAL OF THE LEAGUE OF NATIONS CONCERNING THE POSSIBILITY OF SETTLING REFUGEES IN THE UNITED STATES

In discussing the question of settling refugees from foreign countries in the United States, it should be stated at the outset that the authority of the Secretary of State is limited to the determination, by the Department's consular officers abroad, of the question whether or not individual aliens are admissible under existing immigration laws. The actual admission of aliens at the ports of the United States is in the hands of the immigration officials of the Department of Labor, but no alien may successfully apply for admission as an immigrant without being in possession of a consular immigration visa.

The Secretary of State is not in a position to express any views as to the disposition in the United States of such aliens as may be admitted into the country for permanent residence. There are a number of welfare, social service, Americanization, and foreign language organizations in the United States which deal with such problems and to which individual cases might be referred for helpful advice.

The issuance of immigration visas, which is the basic determining factor of the character and extent of foreign immigration into the United States, is placed by law upon American consular officers abroad. These officers are guided by the various immigration laws enacted by Congress. The two most important laws of this character are the Act of February 5, 1917,[3] which enumerates some forty classes of aliens who are inadmissible on various grounds, principally physical, mental and moral; and the Act of May 26, 1924,[4] which imposes numerical limitations on immigration from the various countries of the world.

Neither the Secretary of State nor any other United States authority is empowered to make arrangements for group immigration, since the tests to be applied are individual in character and the various cases must therefore be treated individually rather than in groups.

During the recent years of increased unemployment in the United States a very large proportion of immigration visa applicants have been refused visas in view of the excluding clause of the Act of February 5, 1917, covering "aliens likely to become a public charge". This clause has operated to reduce immigration to very small figures, immigration now being less than one-tenth of what it was in 1929 and

[3] 39 Stat. 874.
[4] 43 Stat. 159.

previous years, although the basic laws themselves have not been fundamentally changed since that time.

Another excluding clause of the Act of February 5, 1917, which might have a bearing upon requests for the immigration of foreign groups is that clause which includes within the inadmissible classes "persons whose ticket or passage is paid for by any corporation, association, society, municipality, or foreign government, either directly or indirectly".

548.F1/25

The Secretary of State to the Secretary General of the Nansen International Office for Refugees (Johnson)

WASHINGTON, September 13, 1935.

The Secretary of State of the United States of America has received, with appreciation, the letter of the Secretary General of the Nansen International Office for Refugees, dated August 9, 1935, submitting suggestions relative to the possibility of settling certain refugees upon the territory of the United States and elaborating upon the letter of the Secretary General of the League of Nations, dated July 19, 1935,[5] upon the same subject. The information respecting the refugees and the methods of settlement, which is set forth in the letter of the Secretary General of the Nansen International Office, was noted with interest. It is believed, however, that the position of the American Government in this matter was explained in the memorandum it transmitted in reply to the Secretary General of the League of Nations under date of August 12, 1935, for submission to the Nansen International Office. In view of this reply, it would not appear that a detailed answer to the questions raised concerning Governmental assistance in the settlement of refugees would serve any useful purpose at this time.

[5] *Ante*, p. 496.

INQUIRIES ADDRESSED TO EUROPEAN GOVERNMENTS REGARDING THEIR POSSIBLE ADHERENCE TO THE TREATY FOR THE PROTECTION OF ARTISTIC AND SCIENTIFIC INSTITUTIONS AND HISTORIC MONUMENTS [1]

504.418B1/136½

Memorandum by the Chief of the Treaty Division (Barnes) to the Chief of the Division of Latin American Affairs (Wilson)

WASHINGTON, January 11, 1935.

The treaty for the protection of artistic and scientific institutions and historic monuments was thoroughly considered in the Department last summer. Including, as I recall, the personal views of the Secretary, there was practically no sympathy with it in the Department. The treaty had been before the Department for consideration at least twice before, and there is a large file of correspondence and memoranda of record.

Secretary of Agriculture Wallace was deeply interested in the treaty and convinced the President that the United States should support it. Last August the President issued a full power in the usual form to Secretary Wallace to sign the treaty on behalf of the United States, and Dr. Rowe [2] was informed that a full power had been issued to Secretary Wallace. The attitude of the United States toward the signing of the treaty is therefore settled and the next step will be for Secretary Wallace to sign it at the time which may be arranged for by the Governing Board of the Pan American Union. After signature the Pan American Union will, of course, send a certified copy to the Department for transmission to the President and Senate for ratification.

C[HARLES] M. B[ARNES]

504.418B1/173

The Director General of the Pan American Union (Rowe) to the Secretary of State

WASHINGTON, April 15, 1935.

MY DEAR MR. SECRETARY: The Seventh International Conference of American States, held at Montevideo in 1933, adopted a resolution in which the Governments of the States of America were urged to sign

[1] For text of the treaty between the United States and other American Republics, signed at Washington, April 15, 1935, see vol. IV, p. 219.

[2] Leo S. Rowe, Director General of the Pan American Union.

the Roerich Pact [3] for the protection of artistic and cultural institutions and historic monuments.

In compliance with the resolution of the Conference, the Governing Board of the Pan American Union at a session held on April 4, 1934, formulated the fundamental principles of the Roerich Pact in the form of an inter-American treaty, and at a session held on February 6, 1935, it adopted a recommendation of the Committee of the Board on the Roerich Pact and opened the treaty to the signature or adherence of all the States of the world. This treaty is deposited with the Pan American Union and is opened on this date, April 15, 1935, to the signature or adherence of all the States.

I have the honor to send to you herewith a certified copy of the above mentioned treaty, together with copies of the antecedents [4] to which reference has been made.

I am [etc.] L. S. ROWE

504.418B1/199

The Acting Secretary of State to the Ambassador in Belgium (Morris) [5]

No. 254 WASHINGTON, August 2, 1935.

SIR: At the Seventh International Conference of American States held at Montevideo, Uruguay, from December 3 to 26, 1933, a resolution was adopted referring to the Roerich Pact of which the pertinent portion is quoted below:

"3. To recommend to the Governments of America which have not yet done so that they sign the 'Roerich Pact', initiated by the Roerich Museum in the United States, and which has as its object, the universal adoption of a flag, already designed and generally known, in order thereby to preserve in any time of danger all nationally and privately owned immovable monuments which form the cultural treasure of peoples."

As a result of this resolution, the Governing Board of the Pan American Union drew up and approved a Convention on the Roerich Pact of which a copy in its English text is enclosed.

The Government of the United States became a party to this Convention and the President invested the Honorable Henry A. Wallace, Secretary of Agriculture, with full powers to sign the instrument on behalf of the Government of the United States. The Convention was signed at the White House on April 15 in the presence of Presi-

[3] Proposed by Nicholas K. Roerich, founder and former honorary president of the Master Institute of United Arts, New York City.

[4] Not printed.

[5] Identic instructions were sent on the same date to the Embassies in the United Kingdom (No. 938), France (No. 997), Germany (No. 464), Spain (No. 264), Italy (No. 523), and to the Legation in the Netherlands (No. 168).

dent Roosevelt by the plenipotentiaries of the twenty-one American Republics.

As of April 16, 1935, the Roerich Pact has been open to signature by all nations of the world. The Pan American Union, which is the depository of the Convention, will no doubt take steps to invite the Government to which you are accredited to adhere to this Pact.

In view of the foregoing, the Department is desirous of learning what may be the attitude toward the Convention of the foreign governments not represented by delegates at the Montevideo Conference. You are requested, therefore, to inquire orally at the Foreign Office of the Government to which you are accredited the view with which that Government is disposed to regard this Convention.

Very truly yours, WILLIAM PHILLIPS

504.418B1/204

The Chargé in the United Kingdom (Atherton) to the Secretary of State

No. 1635 LONDON, August 16, 1935.
[Received August 23.]

SIR: I have the honor to refer to the Department's instruction No. 938 of August 2, 1935, concerning the Roerich Pact and directing the Embassy to inquire orally at the Foreign Office the view with which it is disposed to regard this Convention.

In reply to an inquiry in the sense of the Department's instruction, the Foreign Office said that they had been made aware of the Pact and, after considering it, do not feel at present that it is necessary for Great Britain to accede.

Respectfully yours, RAY ATHERTON

504.418B1/206

The Ambassador in Spain (Bowers) to the Secretary of State

No. 862 MADRID, August 22, 1935.
[Received September 7.]

SIR: Referring to your instruction No. 264 of August 2, 1935, directing me to ascertain the attitude of the Spanish Government toward the Roerich Pact, I have the honor to report that I consulted the Foreign Office and was informed that when the Spanish Government had been officially informed that this Convention had been signed and ratified by all the American Republics it would adhere to it.[6]

Respectfully yours, For the Ambassador:
WALTER H. SCHOELLKOPF
Second Secretary of Embassy

[6] No further communication on this subject from the Spanish Government was reported by the American Embassy.

504.418B1/212

The Chargé in Italy (Kirk) to the Secretary of State

No. 1284 ROME, September 3, 1935.
[Received September 17.]

SIR: I have the honor to acknowledge the receipt of the Department's instruction No. 523 of August 2nd regarding the adherence of all the nations of the world to the Roerich Pact and to inform the Department that in the course of a conversation with an official of the Italian Ministry of Foreign Affairs I inquired as to the view with which the Italian Government might be disposed to regard the Pact.

I shall not fail to communicate to the Department the expression of the attitude of the Italian Government as soon as it is received.[1]

Respectfully yours, ALEXANDER KIRK

504.418B1/211

The Minister in the Netherlands (Emmet) to the Secretary of State

No. 280 THE HAGUE, September 5, 1935.
[Received September 17.]

SIR: I have the honor to acknowledge the receipt of the Department's Instruction No. 168, of August 2nd, 1935, concerning the attitude of the Netherlands Government towards the Roerich Pact.

In accordance with the aforesaid instruction, I called on Jhr. Snouck Hurgronje, the Secretary-General of the Ministry of Foreign Affairs on August 21st, 1935, discussed the matter with him and gave him a copy of the Convention which the Department of State had sent me containing the text of the Roerich Pact, and requested him to advise me how the Government of the Netherlands is disposed to regard the Convention.

Jhr. Snouck Hurgronje said that the Ministry of Foreign Affairs knew something about the Roerich Pact already as it had been brought to their attention before; however, he wished to confer further with his advisers on League of Nations matters and with some of his other colleagues before expressing an opinion on behalf of the Government as to the attitude of the Netherlands. He said he would make an appointment with me shortly to discuss the matter further.

A few days ago, Mr. Snouck Hurgronje sent word that he would like to see me again concerning the Roerich Pact and this morning

[1] No further communication on this subject from the Italian Government was reported by the American Embassy.

I called upon him. He pointed out to me that on October 23rd, 1934, the Association Française Nicolas de Roerich had approached the Minister of the Netherlands in Paris concerning the attitude of the Netherlands Government towards the Roerich Pact and that at that time the Netherlands Government had declared itself to be sympathetic to the idea but that it did not see its way clear to accede.

Again on April 24th, 1935, nine days after the pact had been signed at Washington by the President of the United States of America [7a] and representatives of 20 other Pan-American Countries the Director General of the Pan-American Union, through the Netherlands Minister at Washington, D. C., made an inquiry as to the view with which the Government of the Netherlands was disposed to regard the Roerich Pact and again the Government of the Netherlands replied that it was sympathetic to the idea, but at the time it did not see its way clear to take action.

Jhr. Snouck Hurgronje expressed some surprise that the American Government or the Pan-American Union did not know of these two earlier approaches to the Government of the Netherlands.

He thereupon made further inquiries as to whether the pact had actually been signed and as to whether the United States was actually a party to it. Upon my assuring him again that the United States of America had become a party to the pact on April 15th, 1935,[7b] at which time the 20 other Pan-American countries had also approved it he said that he wished to consult further with his colleagues. Provisionally he was prepared to say that the Government of the Netherlands was sympathetic to the idea. He wished, however, to find out something more of the attitude of other European Governments concerning the pact and intimated that it was not unlikely that the Netherlands Government might in the near future indicate its willingness to be invited to sign.

As matters were left, the Netherlands Government will make further inquiries and investigations and Jhr. Snouck Hurgronje has promised to notify me as soon as possible whether the Netherlands Government will now be prepared to accede and accept an invitation to sign the pact. I shall report further as soon as anything new transpires.[8]

Respectfully yours, GRENVILLE T. EMMET

[7a] The treaty was not signed by President Roosevelt but by the Secretary of Agriculture, Henry A. Wallace.

[7b] The United States did not become a party to the treaty until August 26, 1935, the date on which the treaty came into force.

[8] No further communication on this subject from the Netherlands Government was reported by the American Legation.

504.418B1/214

The Belgian Minister for Foreign Affairs and Foreign Commerce (Van Zeeland) to the American Ambassador in Belgium (Morris)[9]

[Translation]

BRUSSELS, September 11, 1935.

MR. AMBASSADOR: In reply to the inquiry made by Mr. Sussdorff, Counselor of the Embassy, at my office, I have the honor to inform Your Excellency that the Government of the King has not failed to examine the Roerich Pact from the point of view of its practical effectiveness for the protection of historic monuments, works of art, scientific institutions, etc., in time of war.

The competent authorities, who have been consulted on this subject, to their regret, have been obliged to state that it would be almost impossible to make a pact of this kind fully respected in the course of an armed conflict.

The supplement to the Hague Convention likewise forbids the bombardment of certain buildings, notably those dedicated to religion, arts, sciences, etc., on condition that they are indicated to the enemy by a distinctive and visible mark, and provided that this measure is brought, in sufficient time, to the knowledge of the adversary.[10]

But the practical application encounters many difficulties which the Roerich Pact itself would not eliminate.

To be visible during the daytime by bombarding airplanes, the insignia erected on the buildings would have to be of very large dimensions: about ten meters square. A mere flag would therefore be quite inadequate; not to mention the fact that pacts protecting buildings might not be respected by one of the belligerents, so that a trusting population which took refuge in buildings supposedly protected would run the risk of being massacred there. Furthermore, a bomb hurled from a certain altitude does not always hit the object aimed at, and an accident might cause it to strike a neutral building.

A flag would be of no use at night. Only illuminated signs would be visible, but they would constitute marvelous signals for bombarding airplanes. This solution must therefore be eliminated. In conclusion, no insignia could indicate protected buildings at night, and nocturnal bombardments are the most frequent.

Finally, the wide separation of long-range artillery would cause this artillery to operate blindly, and its shots might, without premeditation, strike the buildings which were provided with the insignia of neutrality.

[9] Copy transmitted to the Department by the Ambassador in Belgium in his despatch No. 555, September 12; received September 25.

[10] Annex to the Convention Respecting the Laws and Customs of War on Land, concluded October 18, 1907, *Foreign Relations*, 1907, pt. 2, p. 1212.

While appreciating the ideals of the promoters of the Roerich Pact, the Government of the King has not been able, as it had been requested, to take the initiative in this matter; it reserves to itself the right, however, to reexamine the question in case the principal countries of Europe adhere to the Roerich Pact.

I avail myself [etc.]

For the Minister:
LE TELLIER
The Director General

504.418B1/217

The Ambassador in Germany (Dodd) to the Secretary of State

No. 2329

BERLIN, September 24, 1935.
[Received October 4.]

SIR: I have the honor to refer to the Department's instruction No. 464 of August 2, 1935 (File No. 504.418B1/), with regard to the Roerich Pact, which was "initiated by the Roerich Museum in the United States and which has for its object the universal adoption of a flag, already designed and generally known, in order thereby to preserve in any time of danger all nationally and privately owned immovable monuments which form the cultural treasure of peoples."

This proposal, having been duly referred to the Foreign Office by word of mouth, was answered in the same manner. The opinion requested is not very enthusiastic. It is to the effect that the German Government is disposed to treat legal questions of this class arising from war conditions, as a whole and not individually (the German statement was to the effect that it did not view with special favor the creation of "*kriegsrechtliche Einzelfragen*"), especially as this matter formed part of a question settled in principle by the Hague Conventions of 1899 and 1907.

It is considered that Article 27 of the Hague Convention in regard to land warfare offered a suitable basis for developing the thesis contemplated by the Roerich proposal. The 1907 version of this Article reads as follows:

"In sieges and bombardments all necessary steps must be taken to spare, as far as possible, buildings dedicated to religion, art, science, or charitable purposes, historic monuments, hospitals, and places where the sick and wounded are collected, provided they are not being used at the time for military purposes.

"It is the duty of the besieged to indicate the presence of such buildings or places by distinctive and visible signs, which shall be notified to the enemy beforehand."

Greater uniformity of action would also be guaranteed in the opinion of the Foreign Office were the initiative in such matters to be taken

by the Dutch or Swiss Governments (the latter presumably in view of the Red Cross Convention[11]). The Belgian Government had considered holding a conference in this connection in the summer of 1935 but had withdrawn the invitations precisely on account of the foregoing consideration.

The technical details were also not very happily (*nicht besonders glücklich*) phrased.

Finally, the German Government would also like to know the attitude of other leading countries in regard to this matter.

Respectfully yours, WILLIAM E. DODD

504.418B1/218

The Chargé in France (Marriner) to the Secretary of State

No. 2242 PARIS, October 14, 1935.
[Received October 25.]

SIR: In continuation of my despatch No. 2179 of September 19, 1935,[12] I have the honor to report that the Embassy has again made inquiry of the competent official at the Foreign Office concerning the French Government's attitude toward the Roerich Pact or Convention. The official stated that his Government has further investigated the matter and is less inclined now than was the case last month to give serious consideration to the Pact. He added that the legal advisers of the Foreign Office had expressed the opinion that the Pact is not worthy of serious consideration, at least at the present moment.

Respectfully yours, THEODORE MARRINER

[11] International Red Cross Convention concluded July 6, 1906, *Foreign Relations*, 1906, pt. 2, p. 1559; Convention signed at Geneva July 27, 1929, *ibid.*, 1929, vol. I, p. 321.

[12] Not printed.

NEGOTIATIONS FOR THE ESTABLISHMENT OF A TRANS-ATLANTIC AIR TRANSPORT SERVICE

811.79640/75a : Telegram

The Secretary of State to the Ambassador in the United Kingdom (Bingham)

WASHINGTON, April 24, 1935—1 p.m.

92. On February 26 a meeting was held in the Department of Commerce between American officials and a French aviation mission headed by Senator de la Grange to discuss the possibility of unified action on the part of the Governments of France, the United States and Great Britain in the study of the technical problems involved in the establishment of a transoceanic air transport service. According to Senator de la Grange, this involved a determination of the best route, requiring in this connection a study of meteorological conditions and the availability of the Azores as a landing base, as well as the feasibility of establishing landing places on the ocean, such as seadromes, and the avoidance of competition by pooling the services among the air transport companies of different nationalities using the route. After the French mission had stated the purposes of its visit, Secretary Roper [1] explained that while this Government would be glad to consider the proposals of the French mission, it was thought that as the British Government was vitally interested in the matter, it should be consulted as the next step in the proceedings. While the members of the mission were authorized to make a statement to this effect to their Government, it was made plain that we were not asking that the French approach the British Government; on the contrary, it was emphasized that this was a question for determination by the French authorities. No definite commitment was made during the meeting as to the future attitude of this Government pending a possible reference of the matter by the French authorities to the British Government.

During the course of a conversation at the Department April 23d the French Chargé d'Affaires stated that his Government had recently instructed the French Ambassador at London formally to invite the British Government, on behalf of the French and American Governments, to join with them in cooperative measures looking toward the establishment of a transoceanic air service. It was immediately

[1] Daniel C. Roper, Secretary of Commerce.

pointed out that such an invitation had never been authorized and the Chargé d'Affaires agreed that he would send off a telegram to his Government correcting the impression that we had in any way authorized the French Government to invite British cooperation on our behalf or in our name. In view of the possible misunderstanding that may have arisen, it is suggested that you bring the foregoing orally to the attention of the competent British authorities. Please repeat to Paris for their information but not to be taken up with the French Government unless approached by the latter.

HULL

811.79640/78

Memorandum by Mr. Stephen Latchford of the Treaty Division

[WASHINGTON,] May 6, 1935.

A meeting was held in the office of Mr. Moore, May 3, 1935, to discuss the matter of negotiations regarding the possible establishment of a trans-Atlantic air transport service. Those present were:

Representing the Department of State:

Mr. R. Walton Moore, Assistant Secretary of State;
Mr. Richard Southgate;
Mr. J. Pierrepont Moffat;
Mr. Stephen Latchford.

Representing the Pan American Airways:

Mr. Juan T. Trippe, President, Pan American Airways;
Mr. John C. Cooper, Jr., Vice President, Pan American Airways.

It was explained to Mr. Trippe that the purpose of the meeting was to have him furnish the Department with information in regard to the negotiations being conducted by Pan American Airways and Imperial Airways [2] with the Portuguese Government for landing rights in Portuguese territory in connection with the possible establishment of a transoceanic air service, in order to ascertain what bearing, if any, the pending negotiations might have on the proposals made by the members of the recent French air mission to the United States that the United States, Great Britain, and France undertake a study of the feasibility of establishing a transatlantic air route.

At a meeting on February 26, 1935, at the Department of Commerce, between members of an interdepartmental group and members of the French air mission, it was made known to the mission that, while the Government of the United States would be glad to consider the proposals of the mission, it was thought that, as the next step in the

[2] Imperial Airways, Ltd., the official British air transport company.

proceedings, the French authorities should consult the British Government, but that the Government of the United States did not ask that the French take this step, it being left to the discretion of the French authorities.

The purpose of the meeting with officials of the Pan American Airways on May 3d was to ascertain whether the negotiations now being conducted by Pan American Airways and Imperial Airways with the Portuguese Government would, in effect, have the result of barring the French from any attempt to present their point of view later on, it being contemplated by the French proposals, according to the French air mission, that there might be a possible sharing of the transatlantic route by air transport enterprises of the United States, Great Britain, France, and possibly other countries. It was thought that, should the pending negotiations with the Portuguese Government have the practical effect of barring the French authorities from following up their proposals, as submitted tentatively by the French air mission, it might be embarrassing to the Government of the United States, in view of the willingness of this Government to consider any French proposals, as made known to the French air mission.

Mr. Trippe stated that Pan American Airways and Imperial Airways were not negotiating jointly with the Portuguese Government, but that the two Companies were presenting identic proposals to that Government and that, in associating with Imperial Airways in connection with the possible transatlantic service, Pan American Airways did so with the realization of the fact that the British hold the key to the situation to a great extent, in view of the fact that British territories occupying strategic positions, such as Canada and Bermuda, would have to be made use of in the proposed service. Mr. Trippe said, in this connection, that there is nothing in the proposals under consideration with the Portuguese Government that would prevent that Government from granting landing rights in Portuguese territory to the French or any others in connection with a transatlantic route. He indicated that it would, of course, be necessary in such case for the French or others desiring to use the route to negotiate with any country or countries whose territories they might desire to make use of in addition to Portuguese territory.

Mr. Trippe suggested that it might be helpful to the Department if Pan American Airways should keep the Department fully informed by furnishing copies of any communications relating to possible extensions of their lines abroad. He was informed by the Department's representatives that this plan would be satisfactory, provided the communications were furnished informally for the Department's information and without involving any committal or responsibility of the Department. Mr. Trippe stated in this connection that his Company

would desire to have the Department regard the information furnished as confidential unless it should have some official character. He was informed that the Department would respect the Company's wishes in this matter, with the understanding, however, that it might be necessary for the information furnished to be made available for inspection in certain cases such as those in which members of a Congressional investigating committee might seek information. Mr. Trippe stated that it would be satisfactory to his Company to furnish the information under the conditions stipulated by the Department's representatives.

The arrangement for receiving communications in the manner described above is not to be regarded as applying exclusively to the Pan American Airways but will be applicable, under the same conditions as apply to that company, to any other American air transport company desiring to file communications with the Department of State for its information. This understanding was made known to the officials of the Pan American Airways and was acquiesced in by them.

811.79640/81

The British Ambassador (Lindsay) to the Secretary of State

No. 177 WASHINGTON, June 25, 1935.

SIR: Under instructions from His Majesty's Principal Secretary of State for Foreign Affairs [3] I have the honour to inform you that the French Ambassador in London [4] has communicated to the Foreign Office an invitation to His Majesty's Government in the United Kingdom "on behalf of the French and United States Governments" to join with them in studying the technical aspects of collaboration in Trans-Atlantic transport. M. Corbin has further proposed that French air experts should visit London in order to discuss the matter.

2. As His Majesty's Government realise from a communication already made by the United States Embassy in London that such a joint *démarche* was not authorised by the United States Government, they propose to delay making a formal reply to the French Ambassador until they have obtained further information respecting the results of the visit paid by a French mission to Washington last February and the attitude of the United States Government towards this question.

3. In this connection I have been instructed to explain that negotiations have been on foot for some time between Imperial Airways

[3] Sir John Simon.
[4] André Charles Corbin.

and Pan-American Airways with a view to cooperation between the two companies in establishing an air service between Europe and the United States for the carriage of mails and passengers. His Majesty's Government would be glad to learn the attitude of the United States Government towards this proposed cooperation between the two companies, and also to be informed whether the United States Government propose to enter into arrangements with other foreign interests in regard to the carriage of mails and to landing rights and other facilities in the United States for such service.

I have [etc.] R. C. LINDSAY

811.79640/81

The Acting Secretary of State to the British Ambassador (Lindsay)

WASHINGTON, July 17, 1935.

EXCELLENCY: I have the honor to acknowledge the receipt of Your Excellency's note No. 177 of June 25, 1935, with reference to various aspects of trans-Atlantic air transport.

For the information of your Government and in response to your inquiry I desire to inform you that in February last an unofficial French aviation mission headed by Senator de la Grange visited the United States. The purpose of this mission was stated to be a discussion of the possibility of unified action on the part of the Governments of France, the United States and Great Britain in the study of the technical problems involved in the establishment of a trans-oceanic air transport service. It was explained to the French mission that while this Government would be glad to consider their proposals, it was thought that as the British Government was vitally interested in the matter the latter should be consulted by the French authorities. The members of the French mission were authorized to make a statement to this effect to their Government, but it was made plain that the American Government was not asking that the French approach the British Government. On the contrary, it was emphasized that this was a question for determination by the French authorities. No commitment whatever was made during the discussions as to the future attitude of this Government. The American Embassy in London was subsequently authorized to bring orally the situation described above to the attention of the competent British authorities.

I trust that this information is responsive to the inquiry contained in paragraph two of Your Excellency's note under acknowledgment.

Although informed in a general way by officials of Pan American Airways of the proposed cooperation between that company and Im-

perial Airways, I do not consider that I am in possession of sufficient details to make any comment in this regard.

This Government has received no specific application from any foreign interest with regard to a permanent service for the carriage of mails or for the extension of landing rights and other facilities in the United States for a trans-Atlantic air service and has therefore not had occasion to come to any conclusion on this point.

Accept [etc.] WILLIAM PHILLIPS

811.79640/96

The British Ambassador (Lindsay) to the Secretary of State[5]

No. 316 WASHINGTON, November 5, 1935.

SIR: Under instructions from His Majesty's Principal Secretary of State for Foreign Affairs I have the honour to inform you that a Mission composed of Colonel Sir Donald Banks, Director-General of the General Post Office, Lieutenant-Colonel Shelmerdine, the Director-General of Civil Aviation, and Mr. Wood-Humphrey, the Managing Director of Imperial Airways, accompanied by three officials of the Air Ministry, General Post Office and Dominions Office, will leave England on November 13th for Canada, where they will discuss with His Majesty's Government in Canada the possible establishment of a trans-Atlantic air service. They will be joined in Ottawa by Mr. Lodge, one of the Commissioners of the Government of Newfoundland.

2. As you are aware the question of the establishment of such a service has already been discussed tentatively between Imperial Airways and Pan American Airways and His Majesty's Government in the United Kingdom now desire to consult with the United States Government in the matter. Consequently if your Government is prepared to enter into discussions with a view to participation in such a service, which His Majesty's Government would welcome as a means of improving communications between the United States of America and Great Britain, it is suggested that the above-mentioned Mission should proceed to Washington to confer with the competent United States authorities after the conclusion of their discussions at Ottawa. I understand that the Mission could arrive in this city at about the end of this month.

I shall be grateful if you will intimate to me the wishes of the United States Government in this matter.

I have [etc.] R. C. LINDSAY

[5] Similar notes were received from the Irish Minister, November 13, 1935, and the Canadian Chargé, November 18, 1935.

811.79640/96

The Secretary of State to the British Ambassador (Lindsay)[6]

WASHINGTON, November 12, 1935.

EXCELLENCY: I have the honor to acknowledge the receipt of your note No. 316 of November 5, 1935, in which you inform me that a Mission appointed by your Government is proceeding to Canada where they will discuss with His Majesty's Government in Canada the possible establishment of a trans-Atlantic air service.

You suggest that if the Government of the United States is prepared to enter into discussions in connection with such a service the above-mentioned Mission proceed to Washington to confer with the competent United States authorities after the conclusion of their conferences in Ottawa and you indicate that the Mission could arrive in this city at about the end of this month.

In reply I wish to state that this Government, within the limits of its authority, will be prepared to enter into discussions on this subject with the British Mission. In order to do this, if you will be good enough to advise me at your convenience as to the precise date of the arrival of the Mission I will arrange for its members to confer with the Inter-departmental Committee on Civil International Aviation appointed by the President on July 2, 1935.[7]

That Committee is simply charged with the duty of making observations and gathering information pertaining to civil international aviation in all its phases and submitting to the President such recommendations as may seem called for.

Accept [etc.] For the Secretary of State:
R. WALTON MOORE

811.79640/97 : Telegram

The Secretary of State to the Minister in Canada (Armour)

WASHINGTON, November 21, 1935—6 p.m.

137. Representatives of the British, Irish and Canadian Governments are meeting in Ottawa for the purpose of discussing the establishment of a trans-Atlantic air service. The Department has received notes from the missions of these Governments in Washington to the effect that upon the conclusion of negotiations in Ottawa the representatives will proceed to Washington to undertake similar discussions here. The Department has informed the British and Irish Governments that it will welcome their representatives and is today similarly informing the Canadian Government.

[6] Similar notes were sent to the Irish Minister, November 19, 1935, and the Canadian Chargé, November 22, 1935.

[7] See Department of State, *Press Releases*, July 20, 1935, p. 62.

I should like to have you, in such manner as you consider appropriate, inform the representatives of these Governments in Ottawa that your Government would find it helpful to receive as soon as possible before their arrival in Washington a general outline of the questions which they propose to discuss with the representatives of the United States. The representatives of the foreign Governments concerned will appreciate that with a view to having an orderly discussion of the questions to be brought up it will be desirable to have specific information.

For your confidential guidance it may be added that such information would be of great assistance to the Department by affording an opportunity to give consideration in advance to the questions which will be raised.

At the same time the Department desires that you follow the course of the negotiations in Ottawa as closely as may be possible and report any information you may be able to obtain as to the results thereof.

You are authorized in your discretion to use the telegraph in reporting on the above points.

HULL

811.79640/102

The British Ambassador (Lindsay) to the Secretary of State [8]

No. 328 WASHINGTON, November 27, 1935.

SIR: I have the honor to refer to your note of the 12th November and to inform you that the United Kingdom Air Mission, which will probably arrive in Washington on December 2nd, desires to discuss with the United States Inter-departmental Committee on Civil International Aviation proposals for the joint operation, under government auspices, of trans-Atlantic air services between the United Kingdom and the United States of America by a company nominated by His Majesty's Governments concerned and an American company, with particular reference to a route passing through the Irish Free State, Newfoundland and Montreal.

The discussions would include the following subjects:—

(1) Postal arrangements;
(2) Arrangements for terminal air ports and landing rights;
(3) Methods of operation;
(4) Frequency of services;
(5) Ground organisation;
(6) Programme of experimental and development work.

I have [etc.] R. C. LINDSAY

[8] Notes similar in substance were received from the Canadian Chargé, November 29, 1935, and the Irish Minister, November 27, 1935.

811.79640/109 : Telegram

The Minister in Canada (Armour) to the Secretary of State

OTTAWA, December 2, 1935—4 p.m.
[Received December 3—12:55 a.m.]

134. Department's 137, November 21, 6 p.m. Delegates may not leave for Washington until December 4. Expect to send list and other pertinent information tonight or tomorrow.

Today's newspapers report as rumor Canadian delegation to favor North Sydney, Nova Scotia, as Canadian terminus of line via Harbor Grace and refer as another possibility to a tentative agreement between Imperial Airways and Pan American for British line to Bermuda and American line thence to New York.

I understand Canada has been holding out for a line which would make Montreal the focal point for trans-Atlantic line from eastern seaboard and central and western United States and Canada. Sir Donald Banks of the British delegation indicated to me that he was disturbed lest decisions of conference here might appear in the United States as facing us with a *fait accompli*. Logan of Pan American, a Canadian, was here when conference opened but left on advice of J. A. Wilson who felt his presence in city during "family discussion" might be misinterpreted. I conclude that possibly Canadians are pressing British to nullify for the present any Bermuda route commitments with Pan American and are offering some advantages in exchange for this assurance that Canada will have a share in any knowledge [*sic*] monopoly to Europe. Wilson has repeatedly expressed, however, his desire to see plan of cooperation with Pan American worked out, emphasized necessary intra-empire character of present meeting and assured that no attempt would be made here to prejudice future American interests. Christie [9] also expresses this last opinion, states that Bermuda and Newfoundland routes have been discussed, that although Imperial Airways may have trans-Canada route to Orient in mind for the future it has not been discussed here. Much discussion regarding subsidies, mail rates and regime for landing facilities have apparently taken place. Conference delegates have agreed apparently to careful secrecy and, therefore, no other direct information of negotiations is available.

ARMOUR

[9] L. C. Christie, Canadian Counselor of the Department of External Affairs.

811.79640/120

Statement to the Press by Assistant Secretary of State R. Walton Moore [10]

WASHINGTON, December 12, 1935.

As a result of the conferences which have been in progress since Thursday, December 5, between representatives of the United Kingdom, the Irish Free State, Canada and the United States, understandings have been reached which it is confidently hoped will bring about the early establishment of trans-Atlantic air transport services connecting these several countries. These understandings are based upon the principle of full reciprocity between the countries interested. They do not operate to exclude similar arrangements between the United States and other countries.

The Department of Commerce has given its approval to the establishment of trans-Atlantic airways by way of Canada, Newfoundland, and the Irish Free State to England, and by way of Bermuda to England, and from Bermuda to Puerto Rico, the latter route to be extended by mutual consent. The Atlantic Sea Board ports in contemplation as termini are New York City; Baltimore, Maryland; Cape Charles or Norfolk, Virginia; and Charleston, South Carolina, any one of which may be designated as ports of entry but no final determination with reference to places has yet been made.

It is recognized that the northern route is much shorter than the southern route and therefore will have the advantage of more economical operation but this fact does not preclude the possibility of considerable use being made of the southern route. It is expected that experimental flights will be begun early in the summer of 1936 and it is hoped that scheduled services will begin by the summer of 1937. When the full regular service is inaugurated, it is provided that there will be four round trips per week.

The matter of the carriage of mails is necessarily postponed for future consideration.

All of the conferences were characterized by a spirit of wholehearted cooperation and the conclusions arrived at received unanimous approval of the conferees.

[10] Mr. Moore was Chairman of the Aviation Conference; see Department of State, *Press Releases*, December 14, 1935, p. 521.

SUPPLEMENTARY EXTRADITION TREATIES SIGNED BETWEEN THE UNITED STATES AND CERTAIN OTHER COUNTRIES

[See telegraphic instruction of March 10, 1934, 1 p.m., to the Ambassador in France, *Foreign Relations*, 1934, volume I, page 794; supplementary extradition treaties of the nature described in that instruction were signed in 1935 between the United States and the following countries:

Belgium, June 20, Treaty Series No. 900; 49 Stat. 3276.
Czechoslovakia, April 29, Treaty Series No. 895; 49 Stat. 3253.
Luxembourg, April 24, Treaty Series No. 904; 49 Stat. 3355.
Poland, April 5, Treaty Series No. 908; 49 Stat. 3394.
Switzerland, January 10, Treaty Series No. 889; 49 Stat. 3192.]

APPROVAL BY THE SECRETARY OF STATE OF THE ECONOMIC PROGRAM ADOPTED BY THE ASSEMBLY OF THE LEAGUE OF NATIONS, SEPTEMBER 28, 1935

500.C111/884 : Telegram (part air)

The Consul at Geneva (Gilbert) to the Secretary of State

GENEVA, September 24, 1935—10 p.m.
[Received September 26—11 : 55 a.m.]

370. Consulate's 359, September 23, 3 p.m.[1] It is expected that the following resolution, submitted by the British delegation to the Second Committee today and accepted by the French delegation, will be adopted by the Committee Thursday without material change.[2]

"The Second Committee

"Convinced of the inimical effect on international trade of arbitrary restrictions imposed by governments,

"noting that one of the ultimate objectives of governments is a return to an international gold standard,

"considering that even before the reestablishment of such an international monetary standard becomes possible effective steps might be taken with a view to removal of impediments to the exchange of goods and that such a removal is indispensable if the economic recovery of which signs are now apparent is to be developed,

"considering that the recovery of international trade would be greatly assisted by the conclusion by as many countries as possible of bilateral agreements having for their object the application of a more liberal economic policy and

"recognizing further that the beneficial effects of such agreements would be more widespread when based upon the principle of the most-favored-nation clause

"realizing that governments hesitate to enter into agreements of substantial duration if the circumstances in which they were entered into may be subject to violent changes as the result of currency fluctuations,

"recommended that governments should endeavor to encourage freer trade by the conclusion of bilateral agreements subject, should they consider it necessary, to the provision that in the event of a large variation in the rate of exchange between the currencies of the contracting parties there should be power to take steps to revise the agreement at short notice."

GILBERT

[1] Not printed.

[2] In his telegram No. 380, September 26, 4 p.m., the Consul informed the Department that the Second Committee had adopted the British resolution without modification (500.C111/885).

500.C111/885a : Telegram

The Secretary of State to the Ambassador in the United Kingdom (Bingham)[3]

WASHINGTON, September 25, 1935—5 p.m.

265. As occasion presents itself, please express to the British authorities, and to Burgin, British representative on the Economic Committee of the League of Nations Assembly, gratification at the resolution on international trade policy and related matters submitted to the Assembly. You may add that the large measure of agreement on these principles that now appears to exist between the governments of so many important countries should make it possible to make these principles effective without too great delay.

HULL

500.C111/890 : Telegram

The Secretary of State to the Consul at Geneva (Gilbert)

WASHINGTON, September 26, 1935—8 p.m.

99. Your 370, September 24. Passage this resolution seems to me so important that I suggest that unless there is some clear reason why it would be unwise, you endeavor at once to get in touch with correspondents of the American newspapers and, without indicating that you have heard from the Department, explain to them the importance of this action and express the hope that it will receive the reasonable attention which its significance warrants. In discussing this matter with the correspondents you may point out the fact that American policy is being carried forward in substantial conformity with the judgments and suggestions contained in this resolution, and that if the governments represented in the Committee will also endeavor to give effective application to these recommendations, the result should be soon manifest in an increased international trade.

HULL

500.C111/887a : Telegram

The Secretary of State to the Consul at Geneva (Gilbert)

WASHINGTON, September 27, 1935—6 p.m.

100. The Secretary requests that you deliver the following message at once to the Chairman of the Second Committee of the League of Nations Assembly:

"I have observed with the greatest of interest that many important governments of the world, as represented in the Committee of which you are Chairman, have reached close accord on an economic program

[3] The same message, *mutatis mutandis*, was sent to the Embassy in France as Department's No. 383, for communication "to the French authorities and to Bonnet, Minister of Finance [*Commerce and Industry*]".

designed to assure a fuller and more satisfactory restoration of industry and commerce. These far-reaching conclusions of your Committee possess great weight since the Committee comprises members of the actual governments in office in most of the important trading countries of the world, selected because of their special competence and assigned to the task of considering economic questions.

"The world will note that a leading conclusion of your Committee is that the adoption of more liberal international trading policies is 'indispensable' to further recovery. It will be understood that the definite recommendations made by your Committee take into account the difficulties which face many governments in lessening the existing impediments to the exchange of goods and that your Committee proposes a method by which commercial policies can here and now be directed along liberal lines despite these difficulties. To this end your Committee has recommended the conclusion of bilateral trade agreements pointing out that the beneficial effects of such agreements will be the more widespread when based upon the principle of the most-favored-nation clause. The circumstance that following upon the great economic disturbances of the recent past the nations, speaking through the specially qualified governmental representatives that make up your Committee, show such a consensus of judgment is most dramatic and encouraging.

"The proposed program assumes, no doubt, that each country will continue to develop its economy on domestic lines as fully as sound business calculations may justify, but recognizes fully the economic fact, which has been demonstrated by bitter experience, that full and stable business prosperity, full employment of labor at satisfactory wages, and the need of a secure foundation for peace, would all require the restoration of a normal volume of international trade.

"I have absolute faith that patience and political courage on the part of all, acting simultaneously as is contemplated in the resolutions, will make realities of the recommended action."

HULL

500.C111/887 : Telegram

The Consul at Geneva (Gilbert) to the Secretary of State

GENEVA, September 28, 1935—2 p.m.
[Received September 28—1:45 p.m.]

391. My 380, September 26, 4 p.m.[4] The report and resolutions of the Second Committee were adopted by the Assembly without discussion today.

GILBERT

[4] See footnote 2, p. 521.

500.C111/888 : Telegram

The Consul at Geneva (Gilbert) to the Secretary of State

GENEVA, September 28, 1935—3 p.m.
[Received September 28—2 : 40 p.m.]

392. Department's 100, September 27, 6 p.m. Your instruction was received while the closing session of the plenary Assembly was in progress this morning. The Second Committee had terminated its sessions and its chairman had left Geneva. To carry out the purpose of your message I immediately got in touch with the appropriate League authorities and in line with their suggestion communicated it in a letter addressed to the Secretary General prefacing it with the following:

"I am directed by the Secretary of State of the United States of America to convey the following message to the Chairman of the Second Committee of the Assembly of the League of Nations."

The President of the Assembly [5] just preceding his closing address made the following statement:

"The reports of all the committees having been approved I have now to inform you that I have another communication to make.

During this meeting I have received a very important message from the Secretary of State of the United States of America with regard to the work of the Second Committee concerning economic and financial questions.

As I was unable to communicate this document to the Assembly when it was approving the reports and resolutions of the Second Committee I think I shall be acting in accordance with the desire of the great majority of the delegations if I propose that this letter should now be read to you."

Following the reading of the message Beneš then stated:

"You have heard a communication which demonstrates the great appreciation of the work of your Committee of a country whose cooperation is indispensable to the attainment of the objects which the League of Nations has before it in the economic and financial spheres. I am sure this communication will be received by the Assembly with the most profound satisfaction of which I am very glad to be the interpreter."

Representative of the Netherlands stated:

"The communication which has just been made to the Assembly is of the very highest importance and the Netherlands delegation, a member of which was *rapporteur* on this question, has heard it with the very keenest satisfaction. I am sure that the satisfaction will be shared by the whole Assembly and the Assembly will wish to convey its thanks to the Secretary of State of the United States of America for his message."

[5] Eduard Beneš, Czechoslovak Minister for Foreign Affairs.

A large number of delegates and Secretariat officials have warmly expressed to me the view that your action serves a highly useful purpose.

GILBERT

500.C111/889 : Telegram

The Consul at Geneva (Gilbert) to the Secretary of State

GENEVA, September 28, 1935—5 p.m.
[Received September 28—2:05 p.m.]

394. Consulate's 392, September 28, 3 p.m.

1. I have just received a letter of today's date addressed to me by Beneš as President of the Sixteenth Assembly of which the following is the text:

"The Secretary General handed me during the course of today's meeting of the Assembly a few minutes after the report of the Second Committee had been adopted your letter of today's date communicating a message from the Secretary of State of the United States of America concerning the resolution on economic and financial policy. In view of the importance of the Secretary of State's message I immediately arranged for your letter to be read *in extenso* to the assembled delegates.

Monsieur Patijn, first delegate of the Netherlands, speaking on behalf of Monsieur Van Lanschot, the *rapporteur* to the Second Committee who had been compelled to leave Geneva, gave expression to the very real appreciation with which Mr. Hull's message was received by the whole Assembly.

It is a pleasure to me to associate myself with the words spoken by Monsieur Patijn and I would be grateful to you if you would be good enough to convey the sentiments of the Assembly to the Secretary of State.

May I also express the hope, as well as the conviction, that the community of interest and the unity of view which is thus shown to exist between the policy of the United States and the recommendations of the Assembly on economic and financial questions may find expression during the coming months in a close cooperation and a joint endeavor to overcome the difficulties which have so long confronted the world."

2. Your message together with Beneš' acknowledgement are being published by the Secretariat.

GILBERT

500.C111/890a

The Secretary of State to Diplomatic Officers in the American Republics

WASHINGTON, October 1, 1935.

SIRS: There is enclosed herewith a copy of the message which, under date of September 27, 1935, I sent to the Chairman of the Second

Committee of the League Assembly regarding the economic program adopted by that Committee.

I desire you to furnish a copy of this message to the Minister for Foreign Affairs; in your covering note, you will please inform the Minister that I am sure that he also will welcome the program adopted by the Committee as evidence of the growing worldwide support for the fundamental principles embodied in the agreements worked out at the Montevideo Conference.[6]

Very truly yours, CORDELL HULL

500.C111/893 : Telegram (part air)

The Consul at Geneva (Gilbert) to the Secretary of State

GENEVA [undated].
[Received October 7, 1935—7 : 28 a.m.]

421. Department's 100, September 27, 6 p.m. Last evening Avenol[7] handed me a letter which he had addressed to you, dated October 2, of which the following is the text:

"Dear Mr. Secretary: May I just add a brief personal word to the formal acknowledgment sent you by Dr. Beneš, President of the Assembly, of your communication regarding the Assembly's economic and financial recommendations?

This communication was a particular satisfaction to me not only in evidencing what Dr. Beneš so well called the 'community of interests and the unity of view which is thus shown to exist between the policy of the United States and the recommendations of the Assembly on economic and financial questions' but also in recalling very pleasant memories of the collaboration between the American delegation and the Secretariat during the London Conference. I would not, therefore, want to let this occasion pass without a personal word of my own special appreciation.

I have been happy also to observe during the past year an appreciable American cooperation in the League's economic and financial work. The Government has sent experts to the Clearings and Commercial Propaganda Committees and has transmitted much useful statistical data; individual Americans have served unofficially on the Economic, Statistical and Meat Products Committees; I look forward to still further representation at various meetings scheduled shortly, particularly, perhaps in connection with the study of international loan contracts being organized by the Financial Committee. I hope I do not exaggerate in thinking that the various economic and financial agencies which have come into being during the last 15 years offer an opportunity both of immediate progress on special lines and ultimate progress at the right moment on general lines. It goes without

[6] For correspondence concerning this Conference, see *Foreign Relations*, 1933, vol. IV, pp. 1 ff.

[7] Joseph A. Avenol, Secretary General of the League of Nations.

saying, I am sure, that I am anxious to be of any possible assistance in the mutual effort to overcome the difficulties now confronting the world and that I should be only too happy if you cared to call upon me in any way.

Again with much appreciation of your communication I have the honor to be, my [dear] Mr. Secretary, Yours very truly, Avenol."

This is not being published here. Avenol said to me, however, that he had no objections to your publishing it should you desire to do so. If you are making it public please advise me.

GILBERT

500.C111/909

The French Minister of Commerce and Industry (Bonnet) to the Secretary of State

[Translation]

PARIS, October 5, 1935.
[Received October 18.]

MR. SECRETARY OF STATE: I am happy to direct Mr. de Laboulaye,[8] on the occasion of his return to Washington to tell you personally how highly I appreciated the terms of your recent message to the Economic Commission of the League of Nations.

I can assure you that the principles stated by you met with the full approval of all the governments represented at Geneva, and the spontaneous support by the United States of the recommendations initiated by France constitutes a great encouragement for us. It can no longer be doubted today that the principal states of the world agree in thinking that a lasting prosperity as well as an assurance of peace can be sought only in an increase of the volume of international exchanges, which necessitates both a more liberal economic policy and a return to a universal monetary standard.

I admit, however, that the political situation of Europe is not of a nature to facilitate such an endeavor, especially with respect to a general stabilization of currencies. I consider, however, that the liberal principles to whose support we have rallied may from now on find their application in the adjustment of our commercial relations. I recall with pleasure that we have already worked together at the London conference for the success of such a policy and I wish to assure you that, in my present position of Minister of Commerce, I am still just as desirous of closely collaborating with you. I sincerely wish for the conclusion of the Franco-American Commercial Treaty,[9] which is in

[8] André de Laboulaye, French Ambassador to the United States.
[9] See vol. II, pp. 211 ff.

course of negotiation, as I am convinced that such an agreement involving reciprocal granting of concessions of an economic nature will serve the interests of both our countries while at the same time it will contribute to the triumph of the cause, of general interest, which we are following with a view to stimulating international exchanges.

I beg you to accept [etc.] GEORGES BONNET

500.C111/909

The Secretary of State to the French Minister of Commerce and Industry (Bonnet)

WASHINGTON, October 24, 1935.

DEAR MR. MINISTER OF COMMERCE AND INDUSTRY: It is with deep pleasure that I have received your message of October 5, 1935, transmitted to me by His Excellency Mr. André de Laboulaye on his return to his post in Washington.

The substantial identity of the views of our two Governments is revealed in the recommendations advanced by France before the Second Committee of the League of Nations and in the repeated utterances of my Government, as to the need for liberalization of trade régimes throughout the world and as to the methods by which this objective can most practicably be achieved. This unanimity of principles augurs well for the speedy and successful conclusion of the Franco-American trade agreement. I sincerely trust that through the welcome collaboration which you offer in this connection, we may provide a powerful stimulus to the wider application of the principles adopted by the Second Committee and the League Assembly and thus to the return to economic sanity in international relations.

I believe that, in the absence of untoward political developments, there has been no time in recent years when the prospects for progress in this direction have been so bright as at the present. This belief is strengthened by messages, similar in tenor to your own, which I have received from other officials of the League and of the Second Committee.

Accept [etc.] CORDELL HULL

INTEREST OF THE UNITED STATES IN THE WORK OF THE JOINT COMMITTEE FOR THE STUDY OF COMPENSATION AND CLEARING AGREEMENTS, GENEVA, MARCH 25, 1935 [1]

840.515 Gold Bloc/60

Mr. Oscar B. Ryder, United States Tariff Commissioner, to the Secretary of State

WASHINGTON, March 6, 1935.

MY DEAR MR. SECRETARY: I am transmitting herewith two copies of the letter which I have written to M. P. Stoppani, Director of Economic Relations Sections, League of Nations, Geneva, Switzerland, in response to his request for an expression of my views on the subject of clearing agreements. One copy is for your information and the other copy for transmission to Mr. Prentiss Gilbert, American Consul at Geneva.

I expect to sail on March 13 to attend the meeting of the Joint Committee of the League of Nations for the Study of Clearing Agreements. As you know, I am acting on this Committee as a substitute for Mr. Norman H. Davis.

I shall be pleased to receive any instructions or suggestions that you may desire to give me.

Respectfully, OSCAR B. RYDER

[Enclosure]

Mr. Oscar B. Ryder, United States Tariff Commissioner, to the Director of the Economic Relations Section, League of Nations (Stoppani)

[WASHINGTON,] March 5, 1935.

MY DEAR SIR: I have received, through the Department of State, your letter of February 21 [2] addressed to me in care of Mr. Prentiss Gilbert and your radiogram of February 28 [2] notifying me that a meeting of the Joint Committee for the Study of Clearing Agreements, on which I am to act as substitute for Mr. Norman H. Davis, has been called March 25, 1935. I have also received the documentation prepared by the Secretariat of the League on the subject of clearing agreements.[3]

[1] For previous correspondence, see *Foreign Relations*, 1934, vol. I, pp. 594 ff.
[2] Not found in Department files.
[3] Not printed.

At the March 25 meeting, I shall express my views regarding clearing agreements, both as they affect world trade in general and as they affect the United States in particular. At present, I can only indicate in a general way my point of view.

Although the United States is not a party to any clearing or compensation agreements, and has not applied any form of unilateral exchange clearing or of compensation, it has an interest in these arrangements. In the absence of direct American experience with them, I shall not at this time offer any comment on the technique of their administration but shall confine myself to considerations of a larger order relating to the fundamental implications of these arrangements, implications which tend to be lost sight of if the emphasis is upon the minute details of procedure and administration.

A study of the genesis and operation of clearing agreements makes it clear that they invariably arise out of a situation of which rigid exchange controls and blocked balances are prominent features. Although intended to afford relief from some of the conditions prevailing in such situations, they do not lead to the reestablishment of freer trade relations and of a more liberal system of international exchange. Moreover, they differ from those methods of commercial policy, such as tariffs, which operate through their influence on competitive prices, and which vary in their effectiveness according to the nature of the changes, if any, in the other factors determining prices. Clearing agreements in their operation cause the distribution of a country's foreign purchases to be influenced by considerations other than those of price and thus give rise to discrimination between countries.

When two countries conclude a clearing arrangement, a preferential status results in favor of the transactions coming within its scope to the detriment of the excluded aggregate of transactions, actual or potential, which depend for their liquidation upon the remaining supply of exchange. The special treatment of the transactions coming within the scope of the arrangement results in a greater reduction in the supply of exchange than in the volume of the transactions for which exchange is needed. The conclusion of a clearing agreement may generally be taken as implying that the supply of exchange was already inadequate, on the one side or the other, to meet the volume of claims upon it at the established rate. The effect, then, of a clearing agreement is to concentrate upon the excluded transactions the full burden of this inadequacy. Thus, the preference established by the arrangement is aggravated by the diminution of the means of liquidating the excluded transactions. Third countries, therefore, find themselves faced by discrimination in the payment of their claims and by an actual loss of markets.

Clearing agreements, in any form, are essentially restrictive in that they tend to promote bilateral trade balancing at the lower rather than the higher level, and thus to cause the elimination of the surplus—the "favorable" or "unfavorable" balances—normally paid through the system of open international exchange. To be sure, a clearing agreement, if applied to a frozen exchange situation, may for a limited period cause some increase in the trade of one or both of the countries parties to it. In the long run, however, any gain thus obtained is practically certain not to constitute an increase in total trade, but, rather, to grow out of an artificial diversion of trade and to be offset by an equal, if not a greater, loss elsewhere. In any event, the gain secured is less than could be obtained under freer conditions of trade. This is true because bilateral clearing is narrowly restrictive as compared with the normal clearing off against each other of commercial and financial transactions from diverse sources.

As a result of the discrimination against them arising from clearing agreements, countries not party to such agreements are quickly brought under pressure to protect their trade or to retaliate. With each extension of the clearing and compensation system abroad and the resulting accretion to the discrimination against a country which does not enter into the system, the pressure upon the latter to react in kind is intensified and it becomes more difficult to resist the impulse to impose similar restrictive arrangements in those situations in which an apparent advantage would seem likely to accrue from such action. We, in the United States, despite our success up to the present in avoiding resort to these arrangements, have, nevertheless, had plentiful experience with the pressure that develops to follow suit when other governments conclude clearing and compensation agreements between themselves.

In conclusion, it should be said that I am not unaware of the situations and pressures out of which many of the clearing and compensation arrangements have developed. But recognition of the circumstances leading to their establishment should not be permitted to obscure the fact that all these arrangements are essentially makeshifts in an unsatisfactory situation. The point of view which I shall emphasize is that the primary object of our Committee should not be so much to perfect the technical details of these arrangements and to improve their operation as to examine them with respect to their essential causes and results and in order to ascertain the most appropriate means of return to freer conditions of international trade.

I look forward with pleasure to seeing you at the meeting of the Committee on March 25.

I have [etc.] OSCAR B. RYDER

840.515 Gold Bloc/60

The Secretary of State to the Consul at Geneva (Blake)[4]

WASHINGTON, March 11, 1935.

SIR: Reference is made to your despatch No. 1173 Political,[5] with which there was transmitted a letter and enclosures from Mr. Stoppani, Director of the Economic Relations Section of the League Secretariat, to Mr. Oscar B. Ryder, substitute for Mr. Norman Davis on the Joint Committee on Compensation and Clearing Agreements.

There is enclosed for your information a copy of Mr. Ryder's reply to Mr. Stoppani dated March 5, 1935.[6]

Mr. Ryder has informed the Department that he intends to sail from New York on March 13, 1935, to attend the meeting of the Joint Committee on Compensation and Clearing Agreements beginning March 25. It is expected that he will arrive in Geneva about the twenty-first or twenty-second of March, as it is his desire to spend the intervening period before the opening of the Joint Committee's sessions in studying such additional material on the subject of that Committee's deliberations as may then be available in Geneva.

The Department has instructed Mr. Henry Deimel of the Office of the Economic Adviser to accompany Mr. Ryder, to lend him all possible assistance in an expert capacity in connection with the subject of the Joint Committee's deliberations, and at the same time to familiarize himself as fully as possible with all aspects of this subject.

The Department will appreciate your extending to Mr. Ryder and to Mr. Deimel all assistance and cooperation as you may find appropriate and practicable in the circumstances. You are requested to transmit such telegrams as they may desire to send to the Department from Geneva.

Very truly yours, For the Secretary of State:
WILLIAM PHILLIPS

840.515 Gold Bloc/69: Telegram (part air)

The Consul at Geneva (Gilbert) to the Secretary of State

GENEVA, April 1, 1935—6 p.m.
[Received April 2—2:30 p.m.]

107. For Feis[7] from Deimel.

1. Joint Committee has agreed upon a report for early publication which has nothing favorable to say of clearing agreements beyond

[4] Mr. Blake was charged with the direction of the Consulate in the absence of Mr. Prentiss Gilbert.
[5] Dated February 4, 1935, not printed.
[6] *Supra.*
[7] Herbert Feis, Economic Adviser of the Department of State.

recognizing that they may in some cases have alleviated somewhat the effects on commerce of the general application of exchange control.

2. Clearing agreements are found to have developed out of the exchange control and concurrent import restrictions which themselves arose as a result of the fall of prices, paralysis of credit and of capital movement, et cetera. While there was agreement that return to freedom of international monetary exchange is essential the report constitutes a compromise between two views: (*a*) that the maintenance of exchange control is due to an unwarranted fear of the consequences of allowing a currency to depreciate in foreign exchange being confused with the consequences of internal currency inflation as experienced in the early postwar period, the remedy being simply to let the currency find its own level with some debt regulation if necessary; (*b*) that it is due to the fear depreciation will be met by abrupt exclusion from foreign markets; insecurity resulting from exchange disequilibrium between the principal currencies; and uncertainty over the definitive real weight of indebtedness; the efficacious remedy being reestablishment of an international monetary standard with freedom of exchange. By clever strategy Dayras [8] obtained somewhat greater emphasis for the second view.

3. Clearing agreements are found to reduce trade as a whole but by their bilateralizing tendency to injure commercial and financial interests of third countries particularly those which are at once raw material producers and financial creditors. Moreover, by forcing third countries to seek markets elsewhere, a tendency to reduce world prices results; third countries are likewise pressed to adopt clearing for their own protection.

4. But the apparent original advantage to the clearing countries themselves is short lived being based upon a trade balance between the parties favorable to the weaker party which tends soon to disappear owing primarily to overvaluation of the latter's currency in the clearing relations. Counteracting measures result principally in further restriction of trade as, notably, when the stronger, usually a creditor country, restricts exports to the other.

5. Indebtedness, particularly short term, while reduced by dollar and sterling depreciation and special agreements must in some cases be dealt with before exchange control can be terminated.

6. Creditor countries with ample financial resources have a basic role to play (*a*) in reaching agreements with their debtors based on a broader view than merely debt collection and (*b*) "when a country acts to permit its money to find its natural level by abolishing the control of exchange, it is important that creditor countries should not neutralize the effect of the measures by augmenting their import restrictions."

[8] French representative on the Joint Committee.

7. The tendency of certain countries to use clearing agreements as an instrument of commercial policy like quotas and customs duties impedes return to normal conditions of exchange, "may put" the country in question "in contradiction with the most-favored-nation clause" and should be discontinued.

8. Pending the removal of exchange control transitional measures are recommended to permit greater flexibility in the actual exchange rate including giving discretion to clearing offices to alter the clearing rate permitting "private compensation" transactions with maximum liberty to the merchants to set the terms, and replacing the "bureaucratic" clearing system by the more flexible system of transfer or payment agreements (which Leith-Ross [9] insisted to be essentially different from clearing agreements. He informed Ryder he was going to Rome to negotiate and feared he might have to conclude a clearing agreement).

9. Most-favored-nation aspect only lightly touched upon, apparent sense being that clearing agreements are in their nature discriminatory but this would not seem to be considered an urgent or serious point.

10. Ryder will be in Milan, April 4; Rome, April 6. Please inform Tariff Commission. I will be here several days following up certain aspects further by contact with League Secretariat. [Deimel.]

GILBERT

840.515 Gold Bloc/73a : Telegram

The Secretary of State to the Ambassador in Italy (Long)

WASHINGTON, April 9, 1935—3 p.m.

72. For Ryder. As far as I can judge from a summary of the report of the Joint Committee which was cabled by Deimel, the report on the whole seems to give support for the trade policies which this Government has been advocating and which I believe represent the direction in which action must be taken if world trade is to be restored. This is to thank you for your part in preparing this report.

HULL

840.515 Gold Bloc/80 : Telegram (part air)

The Consul at Geneva (Gilbert) to the Secretary of State

GENEVA, May 20, 1935—5 p.m.
[Received May 22—6:22 a.m.]

192. The Council today adopted the report of its *rapporteur* on work of the Joint Committee on Clearing Agreements [10] in which

[9] Sir Frederick Leith-Ross, Chief Economic Advisor to the British Government.
[10] For text of report, see League of Nations, *Official Journal*, June 1935, p. 597.

governments are invited to consider the conclusions reached by the Committee and as far as possible take account of them in regard to their own countries and financial policy. The importance of the report was stressed by the Australian and French delegates.

GILBERT

STANDARD GENERAL PROVISIONS FOR TRADE AGREEMENTS NEGOTIATED UNDER THE ACT OF JUNE 12, 1934

611.0031/1737a

The Secretary of State to Diplomatic and Consular Officers

WASHINGTON, June 6, 1935.

SIRS: Detailed information in regard to the policies being followed in connection with the reciprocal trade agreements which are being concluded under the authority of the Trade Agreements Act of June 12, 1934,[1] is contained in the Department's press release of April 1, 1935, and in the so-called standard general provisions for inclusion in trade agreements, copies of which are enclosed.

Since the factors involved in trade negotiations are not the same with respect to all countries, the general provisions of one agreement may differ somewhat from those of another. There has been formulated and approved, however, a standard set of general provisions after which the general terms of each agreement are patterned. The standard provisions embody a number of basic policies of the Government relative to trade agreements.

Of special interest are those provisions concerning quotas (reference numbers 7, 8, and 9), monopolies (reference number 10), exchange control (reference number 11), exchange depreciation (reference number 14), and competition from third countries (reference number 18).

The policy of the Government with respect to the generalization of tariff concessions made pursuant to trade agreements is fully set forth in the Department's press release of April 1.

Very truly yours, For the Secretary of State:
FRANCIS B. SAYRE

[Enclosure 1]

Statement Issued to the Press, April 1, 1935 on the Policy of the United States Concerning the Generalization of Tariff Concessions Under Trade Agreements

The President today proclaimed the Trade Agreement with the Belgo-Luxemburg Economic Union.[2] Concurrently with this action

[1] 48 Stat. 943.
[2] Vol. II, p. 102.

he issued instructions to the Treasury Department regarding the countries to which the concessions made in that Agreement will be extended. The latter document, a copy of which is attached,[8] reflects the policy which the Government of the United States proposes to pursue in regard to the extension of the duties proclaimed in connection with trade agreements with foreign countries.

The commercial policy of the United States must, in the interest of our foreign trade, be designed to accomplish two objects, namely, (1) mutual and reciprocal reductions in trade barriers, and (2) the removal or prevention of discriminations against American commerce. It is hoped to accomplish the first object by means of trade agreements such as that with the Belgo-Luxemburg Economic Union, involving reciprocal reductions in barriers to trade. It is hoped concurrently to accomplish the second object by means of the policy described below.

Equality of treatment is the keynote of the foreign commercial policy of the Government of the United States. The United States neither seeks nor accords preferential, discriminatory treatment—it asks only that a foreign country treat American commerce no worse than it treats the commerce of any third country and, in turn, accords equality of treatment to the commerce of foreign countries.

In conformity with this policy, reductions in duties proclaimed under trade agreements with foreign countries will be extended immediately to the like articles of all countries in return for non-discriminatory treatment of American commerce. Such proclaimed duties may be characterized as our minimum duties. They will be withheld only from those countries which discriminate substantially against American trade, with due regard to trade agreement negotiations now in progress and with scrupulous observance of our obligations under existing treaties or agreements to accord most-favored-nation treatment as long as such obligations remain in force. To such countries, a standing offer is extended to accord to them the benefit of our minimum rates, or, in the case of those countries which receive them at once only by virtue of trade agreement negotiations or conversations now in progress or by virtue of our obligations under existing treaties or agreements, to insure to them the continued enjoyment of our minimum rates, if they agree not to discriminate or in fact cease to discriminate against American trade in respect of all forms of trade control measures, including exchange control and other measures not specifically dealt with in existing treaties or agreements in force with such countries. This policy is a reasonable one. The Government of the United States does not presume to say what should be the tariff or other commercial policy of any foreign country, provided merely that

[8] Department of State, *Press Releases*, April 6, 1935, p. 216.

it is nondiscriminatory and insures fair and equitable treatment to American commerce.

With respect to customs duties the meaning of most-favored-nation treatment is clear. It means simply that the duty applied is no higher than that applied to the like commodity of any third country.

With respect to quantitative restrictions, what is meant by non-discriminatory treatment, although somewhat less obvious and subject to different interpretations, can be defined with a fair degree of precision. While the undesirability of quotas is generally agreed to it is necessary as long as they are in use to define the term non-discriminatory treatment as applied to them. If quotas can be reconciled with non-discriminatory treatment this term must be defined as meaning the allotment to any foreign country of a share of the total quantity of any article permitted to be imported equivalent to the proportion of the total importation of the article which that foreign country supplied during a previous representative period. By "representative" period, is meant a series of years during which trade in the particular article under consideration was free from restrictive measures of a discriminatory character, and was not affected by unusual circumstances such as, for example, a crop failure in the case of an agricultural product. The term "representative" is thus flexible enough to take into account all circumstances affecting the trade in any given commodity with any particular country.

In regard to exchange control measures, the Government of the United States believes that any form of control of foreign exchange should be administered in such a way as to insure fair and equitable treatment for the nationals and commerce of the United States. With respect to the exchange made available for commercial transactions, this means that as nearly as may be determined, the share of the total available exchange which is allotted to any foreign country should not be less than the share employed in a previous representative period prior to the establishment of any exchange control for the settlement of commercial obligations to the nationals of the United States. In other words, the allotment of exchange should be adjusted to the natural flow of trade and not on the theory that the exchange granted for importations from a particular country should be regulated by the amount of exchange created by exports to that country. The latter policy tends to force a bilateral balancing of trade between each pair of countries, and thus tends to prevent the natural triangular or multilateral trade movements and to reduce the total volume of world trade.

If a country establishes or maintains a government monopoly for the importation or sale of a particular commodity or grants exclusive privileges to one or more agencies to import or sell a particular commodity, the Government of the United States believes that such

monopoly or agency should not discriminate against American commerce but that it should accord American suppliers a fair and equitable share of the market as nearly as may be determined by considerations of price, quality, etc., such as would influence a private commercial enterprise.

In carrying out the policy of no discrimination described above and expressed in the Trade Agreements Act of June 12, 1934, the President has today issued instructions to the Secretary of the Treasury to apply the minimum rates provided for in the Belgian Agreement to the like articles the growth, produce or manufacture of all foreign countries.

He has, however, instructed the Secretary of the Treasury to extend our minimum rates provisionally to certain countries which at present are granting less favorable treatment to American trade than to that of other countries, but with which trade agreement negotiations are in progress. If in any such case the trade agreement negotiations are not successfully concluded before the expiration of six months from the date on which the President issues his instruction to the Secretary of the Treasury, or if in the meantime the foreign country has not ceased to discriminate against American trade or has not entered into an agreement to accord fair and equitable treatment in respect of both modern and old forms of trade control measures, our minimum rates under this procedure would be automatically withdrawn. It is hoped that in no case will it be necessary to withdraw our minimum rates from any one of the countries in this small group at the end of the six months' period.

In his instruction to the Secretary of the Treasury, the President also has specified that the minimum rates provided for in the Agreement with Belgium shall be applied to the like articles originating in a number of countries even though they are at present granting less favorable treatment to American trade than to that of other countries, until thirty days from the date on which he advises the Secretary of the Treasury that the United States has ceased, or on a day certain will cease, to be bound by provisions of existing treaties or agreements. In the case of countries in this group, it is expected that notices of termination of existing treaties or agreements will be given, in accordance with their terms, with a view to clearing the way to the conclusion of agreements covering explicitly both modern and old trade control measures. It is hoped that such agreements, either separately or as part of comprehensive trade agreements, will be reached before the existing most-favored-nation treaties or agreements expire, in order that it will not be necessary to withdraw our minimum rates from any of the relatively few countries in this group.

In connection with this latter group, it may be pointed out that many of the trade restrictive measures imposed in recent years were not

employed when the treaties or agreements now in force with these countries were signed. The most-favored-nation pledges contained in many existing treaties and agreements are worded broadly and do not deal as explicitly with the newer forms of trade control as might be desired. In view of the multiplication of new forms of trade restrictions in recent years, particularly exchange controls and import quotas, the Government of the United States believes it to be desirable to formulate new provisions in regard to fair and equitable treatment in respect of these more recent trade control measures. Such provisions, it is expected, will be included in trade agreements concluded under the authority of the Trade Agreements Act, or in notes exchanged with various foreign governments.

All countries not included in the two special groups described above are listed in a third large group. This group is heterogeneous in respect of eligibility for continued enjoyment of the benefit of our minimum rates. Most of these countries are not now discriminating seriously, if at all, against American commerce. These countries are assured continued enjoyment of the benefits of duties proclaimed under trade agreements so long as they continue to accord us fair and equitable treatment. In the case of other countries in this group, discriminations against American trade are known to exist but at present are relatively slight. The acts and policies of these countries will continue to be studied carefully, and if at a later time, on the basis of further study, it should appear that the discriminations against American trade are substantial, or if they should be increased substantially, consideration will be given to the withdrawal of our minimum duties from such countries, with due regard to obligations under any existing treaty or agreement.

In pursuance of the policy described herein, conversations have been carried on with a number of the countries in this group which have been discriminating against American commerce. Certain of these countries have either entered into an agreement to accord fair and equitable treatment to American trade or have indicated an intention promptly to remove existing discriminations, or in consequence of discussions now in progress have been provisionally included in the list.

It is the carefully considered view of the Government of the United States that the rule of no discrimination is the only standard of international conduct sufficiently definite to be applied fairly and with a minimum of international dispute in connection with the extension of minimum tariff rates and the administration of other forms of trade control measures. The Government of the United States rejects the view that such criteria as the relative balance of trade between countries, or the absolute height of trade barriers, can be used as proper guides to determine whether a country merits the enjoyment of our

minimum duties. The first of these rejected criteria—the balance of trade—implies the desire to bring about a bilateral balance of trade between each pair of countries and leads to the impairment or destruction of multilateral trade based upon an economical and mutually advantageous international division of production. With respect to the second rejected criterion—the absolute height of trade barriers—such wide differences of opinion must necessarily exist, and the question is, moreover, so complicated by the characteristic structure of a nation's industries, and by historical and traditional considerations, that any definite conclusions with regard to the application of such a criterion must, of necessity, be arbitrary. Under the policy which the Government of the United States is pursuing, this country would not refuse generalization of minimum duties to a foreign country, irrespective of the degree to which it is restricting trade, so long as American commerce is accorded its fair and equitable share of the permitted importations. This policy implements the unconditional most-favored-nation principle, which is the most effective means of bringing about more rapidly a general reduction of trade barriers, of giving elasticity to trade arrangements, and of expanding foreign trade.

[Enclosure 2]

Standard General Provisions for Trade Agreements

PREAMBLE

The President of the United States of America and the of, being desirous of strengthening the traditional bonds of friendship between the two countries by maintaining the principle of equality of treatment as the basis of commercial relations and by granting mutual and reciprocal concessions and advantages for the promotion of trade, have through their respective Plenipotentiaries arrived at the following Agreement:

ARTICLE [I]

Articles the growth, produce or manufacture of the United States of America, enumerated and described in Schedule I annexed to this Agreement and made a part thereof, shall, on their importation into, be exempt from ordinary customs duties in excess of those set forth in the said Schedule. The said articles shall also be exempt from all other duties, taxes, fees, charges or exactions, imposed on or in connection with importation, in excess of those imposed on the day of the signature of this Agreement or required to be imposed thereafter under laws of in force on the day of the signature of this Agreement.

ARTICLE [II]

Articles the growth, produce or manufacture of, enumerated and described in Schedule II annexed to this Agreement and made a part thereof, shall, on their importation into the United States of America, be exempt from ordinary customs duties in excess of those set forth in the said Schedule. The said articles shall also be exempt from all other duties, taxes, fees, charges or exactions, imposed on or in connection with importation, in excess of those imposed on the day of the signature of this Agreement or required to be imposed thereafter under laws of the United States of America in force on the day of the signature of this Agreement.

ARTICLE [III]

The United States of America and agree that the notes included in Schedules I and II are hereby given force and effect as integral parts of this Agreement.

ARTICLE [IV]

Articles the growth, produce or manufacture of the United States of America or, shall, after importation into the other country, be exempt from all internal taxes, fees, charges or exactions other or higher than those payable on like articles of national origin or any other foreign origin. The provisions of this Article in regard to the granting of national treatment shall not apply to taxes imposed in the United States of America on coconut oil or on any combination or mixture containing a substantial quantity of coconut oil.

ARTICLE [V]

In respect of articles the growth, produce or manufacture of the United States of America or, enumerated and described in Schedules I and II, respectively, imported into the other country, on which ad valorem rates of duty, or duties based upon or regulated in any manner by value, are or may be assessed, it is understood and agreed that the bases and methods of determining dutiable value and of converting currencies shall be no less favorable to importers than the bases and methods prescribed under presently existing laws and regulations of and the United States of America, respectively.

ARTICLE [VI]

1. No prohibitions, import or customs quotas, import licenses, or any other form of quantitative regulation, whether or not operated in connection with any agency of centralized control, shall be imposed by on the importation or sale of any article the growth,

produce or manufacture of the United States of America enumerated and described in Schedule I, nor by the United States of America on the importation or sale of any article the growth, produce or manufacture of, enumerated and described in Schedule II.

2. The foregoing provision shall not apply to:

(*a*) Prohibitions or restrictions (1) specifically provided for in Schedules I and II of this Agreement; (2) imposed on moral or humanitarian grounds; (3) designed to protect human, animal or plant life; (4) relating to prison-made goods; (5) relating to the enforcement of police or revenue laws; or

(*b*) Quantitative restrictions in whatever form imposed by the United States of America or on the importation or sale of any article the growth, produce or manufacture of the other country in conjunction with governmental measures operating to regulate or control the production, market supply, or prices, or tending to increase the labor costs of production, of like domestic articles. Whenever the Government of either country proposes to establish or change any restriction authorized by this subparagraph, it shall give notice thereof in writing to the other Government and shall afford such other Government an opportunity within thirty days after receipt of such notice to consult with it in respect of the proposed action; and if an agreement with respect thereto is not reached within thirty days following receipt of the aforesaid notice, the Government which proposes to take such action shall be free to do so at any time thereafter, and the other Government shall be free within fifteen days after such action is taken to terminate this Agreement in its entirety on thirty days' written notice.

ARTICLE [VII]

1. If the Government of the United States of America or establishes or maintains any form of quantitative restriction or control of the importation or sale of any article in which the other country has an interest, or imposes a lower import duty or charge on the importation or sale of a specified quantity of any such article than the duty or charge imposed on importations in excess of such quantity, the Government taking such action will:

(*a*) Give public notice of the total quantity, or any change therein, of any such article permitted to be imported or sold or permitted to be imported or sold at such lower duty or charge, during a specified period;

(*b*) Allot to the other country for such specified period a share of such total quantity as originally established or subsequently changed in any manner equivalent to the proportion of the total importation of such article which such other country supplied during a previous

representative period, unless it is mutually agreed to dispense with such allotment; and

(*c*) Give public notice of the allotments of such quantity among the several exporting countries, and at all times upon request advise the Government of the other country of the quantity of any such article the growth, produce or manufacture of each exporting country which has been imported or sold or for which licenses or permits for importation or sale have been granted.

2. Neither the United States of America nor shall regulate the total quantity of importations into its territory or sales therein of any article in which the other country has an interest, by import licenses or permits issued to individuals or organizations, unless the total quantity of such article permitted to be imported or sold, during a quota period of not less than three months, shall have been established, and unless the regulations covering the issuance of such licenses or permits shall have been made public before such regulations are put into force.

PROTOCOL

AD. ARTICLE [VII]

It is understood that this Article does not affect the application of measures directed against misbranding, adulteration and other fraudulent practices, such as are provided for in the pure food and drug laws of the United States of America, or the application of measures directed against unfair practices in import trade, such as are provided for in Section 337 of the United States Tariff Act of 1930.[4]

ARTICLE [VIII]

In the event that the Government of the United States of America or the Government of establishes or maintains a monopoly for the importation, production or sale of a particular commodity or grants exclusive privileges, formally or in effect, to one or more agencies to import, produce or sell a particular commodity, the Government of the country establishing or maintaining such monopoly, or granting such monopoly privileges, agrees that in respect of the foreign purchases of such monopoly or agency the commerce of the other country shall receive fair and equitable treatment. To this end it is agreed that in making its foreign purchases of any product such monopoly or agency will be influenced solely by those considerations, such as price, quality, marketability, and terms of sale, which would ordinarily be taken into account by a private commercial enterprise interested solely in purchasing such product on the most favorable terms.

[4] 46 Stat. 703.

ARTICLE [IX]

The tariff advantages and other benefits provided for in this Agreement are granted by the United States of America and to each other subject to the condition that if the Government of either country shall establish or maintain, directly or indirectly, any form of control of foreign exchange, it shall administer such control so as to insure that the nationals and commerce of the other country will be granted a fair and equitable share in the allotment of exchange.

With respect to the exchange made available for commercial transactions, it is agreed that the Government of each country shall be guided in the administration of any form of control of foreign exchange by the principle that, as nearly as may be determined, the share of the total available exchange which is allotted to the other country shall not be less than the share employed in a previous representative period prior to the establishment of any exchange control for the settlement of commercial obligations to the nationals of such other country.

The Government of each country shall give sympathetic consideration to any representations which the other Government may make in respect of the application of the provisions of this Article, and if, within thirty days after the receipt of such representations, a satisfactory adjustment has not been made or an agreement has not been reached with respect to such representations, the Government making them may, within fifteen days after the expiration of the aforesaid period of thirty days, terminate this Article or this Agreement in its entirety on thirty days' written notice.

ARTICLE [X]

With respect to customs duties or charges of any kind imposed on or in connection with importation or exportation, and with respect to the method of levying such duties or charges, and with respect to all rules and formalities in connection with importation or exportation, and with respect to all laws or regulations affecting the sale or use of imported goods within the country, any advantage, favor, privilege or immunity which has been or may hereafter be granted by the United States of America or to any article originating in or destined for any third country, shall be accorded immediately and unconditionally to the like article originating in or destined for or the United States of America, respectively.

ARTICLE [XI]

Laws, regulations of administrative authorities and decisions of administrative or judicial authorities of the United States of America or, respectively, pertaining to the classification of

articles for customs purposes or to rates of duty shall be published promptly in such a manner as to enable traders to become acquainted with them. Such laws, regulations and decisions shall be applied uniformly at all ports of the respective country, except as otherwise specifically provided in statutes of the United States of America relating to articles imported into Puerto Rico.

No administrative ruling by the United States of America or effecting advances in rates of duties or in charges applicable under an established and uniform practice to imports originating in the territory of the other country, or imposing any new requirement with respect to such importations, shall be effective retroactively or with respect to articles either entered for or withdrawn for consumption prior to the expiration of thirty days after the date of publication of notice of such ruling in the usual official manner. The provisions of this paragraph do not apply to administrative orders imposing anti-dumping duties, or relating to regulations for the protection of human, animal, or plant life, or relating to public safety, or giving effect to judicial decisions.

ARTICLE [XII]

In the event that a wide variation occurs in the rate of exchange between the currencies of the United States of America and, the Government of either country, if it considers the variation so substantial as to prejudice the industries or commerce of the country, shall be free to propose negotiations for the modification of this Agreement or to terminate this Agreement in its entirety on thirty days' written notice.

ARTICLE [XIII]

Greater than nominal penalties will not be imposed in the United States of America or in upon importations of articles the growth, produce or manufacture of the other country because of errors in documentation obviously clerical in origin or where good faith can be established.

The Government of each country will accord sympathetic consideration to, and when requested will afford adequate opportunity for consultation regarding, such representations as the other Government may make with respect to the operation of customs regulations, quantitative restrictions or the administration thereof, the observance of customs formalities, and the application of sanitary laws and regulations for the protection of human, animal, or plant life.

ARTICLE [XIV]

Except as otherwise provided in the second paragraph of this Article, the provisions of this Agreement relating to the treatment

to be accorded by the United States of America or , respectively, to the commerce of the other country, shall not apply to the Philippine Islands, the Virgin Islands, American Samoa, the Island of Guam, or to the Panama Canal Zone.

Subject to the reservations set forth in the third and fourth paragraphs of this Article, the provisions of Article (12) shall apply to articles the growth, produce or manufacture of any territory under the sovereignty or authority of the United States of America or , imported from or exported to any territory under the sovereignty or authority of the other country. It is understood, however, that the provisions of this paragraph do not apply to the Panama Canal Zone.

The advantages now accorded or which may hereafter be accorded by the United States of America or to adjacent countries in order to facilitate frontier traffic, and advantages resulting from a customs union to which either the United States of America or may become a party, shall be excepted from the operation of this Agreement.

The advantages now accorded or which may hereafter be accorded by the United States of America, its territories or possessions or the Panama Canal Zone to one another or to the Republic of Cuba shall be excepted from the operation of this Agreement. The provisions of this paragraph shall continue to apply in respect of any advantages now or hereafter accorded by the United States of America, its territories or possessions or the Panama Canal Zone to the Philippine Islands irrespective of any change that may take place in the political status of the Philippine Islands.

Unless otherwise specifically provided in this Agreement, the provisions thereof shall not be construed to apply to police or sanitary regulations; and nothing in this Agreement shall be construed to prevent the adoption of measures prohibiting or restricting the exportation of gold or silver, or to prevent the adoption of such measures as either Government may see fit with respect to the control of the export or sale for export of arms, munitions, or implements of war, and, in exceptional circumstances, all other military supplies.

Article [XV]

In the event that the Government of the United States of America or the Government of adopts any measure which, even though it does not conflict with the terms of this Agreement, is considered by the Government of the other country to have the effect of nullifying or impairing any object of the Agreement, the Government which has adopted any such measure shall consider such representations and proposals as the other Government may

make with a view to effecting a mutually satisfactory adjustment of the matter.

ARTICLE [XVI]

The Government of the United States of America and reserve the right to withdraw or to modify the concession granted on any article under this Agreement, or to impose quantitative restrictions on any such article if, as a result of the extension of such concession to third countries, such countries obtain the major benefit of such concession and in consequence thereof an unduly large increase in importations of such article takes place: Provided, That before the Government of either country shall avail itself of the foregoing reservation, it shall give notice in writing to the other Government of its intention to do so, and shall afford such other Government an opportunity within thirty days after receipt of such notice to consult with it in respect of the proposed action; and if an agreement with respect thereto is not reached within thirty days following receipt of the aforesaid notice, the Government which proposed to take such action shall be free to do so at any time thereafter, and the other Government shall be free within fifteen days after such action is taken to terminate this Agreement in its entirety on thirty days' written notice.

ARTICLE [XVII]

The present Agreement shall, from the date on which it comes into force, supplant the Agreement between the United States of America and, effected by exchange of notes signed on

ARTICLE [XVIII]

As long as the present Agreement remains in force, it shall supersede any provisions of the Treaty of between the United States of America and , signed at on , which may be inconsistent with this Agreement. However, upon the expiration of this Agreement, the provisions of the aforesaid Treaty which have been temporarily suspended shall automatically resume operation and shall continue in full force and effect subject to termination as provided in that Treaty.

ARTICLE [XIX]

The present Agreement shall come into full force on the thirtieth day following proclamation thereof by the President of the United States of America and the of , or should the proclamations be issued on different days, on the thirtieth day following the date of the later in time of such proclamations, and shall remain in force for the term of years thereafter, unless

terminated pursuant to the provisions of Article (7), Article (11), or Article (14). The Government of each country shall notify the Government of the other country of the date of its proclamation.

Unless at least six months before the expiration of the aforesaid term of years the Government of either country shall have given to the other Government notice of intention to terminate this Agreement upon the expiration of the aforesaid term, the Agreement shall remain in force thereafter, subject to termination under the provisions of Article (7), Article (11), or Article (14), until six months from such time as the Government of either country shall have given notice to the other Government.

In witness whereof the respective Plenipotentiaries have signed this Agreement and have affixed their seals hereto.

Done in duplicate, in the English and languages, both authentic, at the City of , this
For the President of the United States of America:

For the of :

NON-APPLICABILITY OF FOREIGN REGULATIONS CONCERNING SOCIAL INSURANCE TO EMPLOYEES OF AMERICAN CONSULATES

848A.5051/2

The Secretary of State to the Chargé in the Union of South Africa (Linnell)

No. 234 WASHINGTON, November 13, 1935.

SIR: Referring to your despatch No. 938 of August 21, 1935,[1] requesting to be instructed whether American consular officers in the Union of South Africa should take out insurance policies under the Workmen's Compensation Act covering the clerical employees of their respective consulates, you are informed that the Department does not have at its disposal funds that would be available for the payment of premiums on such insurance.

It may be added for your information that Great Britain and Germany have various forms of social insurance and a reply similar to the above has been made to the inquiries received from American diplomatic and consular officers in regard to the payment of premiums.[2] It is assumed that where such insurance is compulsory the employees are personally paying the premiums.

The position of the Department is that no government can require another government to pay premiums of this nature. The principle on which this decision is based is clearly set forth in the following summaries of certain cases involving the giving of advance notice of the termination of services of foreign employees in American consular offices or in lieu thereof the payment of salary for a specified period of time. It appears to be well established by the rules of international law and practice that a government maintaining representation in a foreign country is not bound to adhere in matters of this kind to the laws or customs pertaining to such foreign country.

Italy

In 1927 an Italian subject brought an action against Mr. Byington,[3] representing the Consulate General of the United States at Naples, to compel the Consulate General to pay him 8,400 lire, representing four

[1] Not printed.

[2] Recent correspondence not printed; but see *Foreign Relations*, 1901, pp. 172–173.

[3] Correspondence not printed.

months' salary, to which he claimed he was entitled because of the failure of the Consulate General to notify him in advance of his separation from the service in 1922. He also claimed 29,400 lire, representing the total indemnity "of discharge calculated on the basis of half a month's salary for each of the twenty-eight years' service rendered" the Consulate General. The right of the court to entertain the action was contested on the ground that "all the states are sovereign and independent so as not to be able to subject one to the other in whichever way they act". (File #123B99/182 and enclosures.) The court in a decision published January 23, 1928, rejected the demands of the claimant. In so holding the court stated that to accede to the claim "would mean failing to give the homage due to the Country to which Calvaruso voluntarily deemed to submit himself, adhering to fulfill the duties of public character, placing himself in the administration, although extraterritorium, and at the political and juridical dependence of such Country."

In a despatch dated April 6, 1929, the Consul at Turin, Italy, reported the receipt by him of a letter from Mrs. Bianca Colombini Francesconi, requesting payment on account of the services of her late husband who had died on December 12, 1928.[4] The Consul stated that, under Italian law, every person employed at a salary in excess of 800 lire a month was entitled, either upon dismissal or if the business was dissolved, to additional compensation at the rate of one month's salary for each year employed; that it was his understanding that the law applied to employees who died while in the service; that Francesconi was continually employed in the Consulate for a period of nine years and at the time of his death was receiving a salary of $960. per annum, which would make his indemnity $720. (File #125.9553/119). In an instruction dated April 14, 1931, to the Ambassador at Rome, the latter was requested to make inquiry regarding the matter and inform the Department in detail with respect to the application of the provisions of the law to American Consulates in Italy as well as to those of other nations. In the despatch dated May 16, 1932, the Embassy transmitted a note verbale from the Foreign Office stating that the law in question (Decree-Law No. 1825 of November 13, 1924, partially modified by Decree-Law No. 740 of March 22, 1928) applied to all employment contracts, but that "as a general rule a distinction must be made with respect to the nationality of the employee referred to in the contract, since it seems that in the case of employees who are citizens of the State which the agent represents, the situation differs from that in which employees of other nationalities are concerned."

[4] Correspondence not printed.

In an instruction to the Embassy dated June 28, 1932, the Department expressed the view that the Decree-Laws in question "relate entirely to employment contracts of a private nature", and that the decision of the Royal Court of Appeals at Naples sent to the Department with despatch No. 167 of December 23, 1931, from the Consul General at Naples, authoritatively placed employment of an official nature by the embassy and consular offices in Italy outside the jurisdiction of the Italian courts. The American Consul at Turin was instructed under date of June 24, 1932, in this sense, and was told that no compensation should be paid to Mrs. Francesconi on account of the services of her husband.

The decision of the Italian court just mentioned was rendered in the case of Salvatore Mazzucchi *versus* the American Consulate General of the United States at Naples in the person of the Consul General, Mr. Dreyfus, for 17,600 lire, with interest, on account of Mazzucchi's discharge by the Consul General in August, 1930, after some forty years of service.[5] The amount of the claim consisted of two months' salary for discharge without notice, as well as salary for one-half month for each of the forty years of service. (File #123D82.) The court dismissed the case December 31, 1930, holding that Consular Agents, either career or honorary officers, representing their States, as well as Diplomatic Agents "should be considered employees and representatives discharging the duties of office. . . . To these representatives qualifications of a general character are attributed, such as those conferred upon diplomatic agents: the protection of their subjects or citizens; their relations in connection with the local authorities; the careful observance of treaties, . . . which attributes confer upon the officer the right to represent the State from which he depends." Finally, the court stated that Mazzucchi's connection with the Consulate General did not authorize him to bring "this public office before Italian judges unable to examine how and under what conditions the Consulate General discharged him; his duties, as stated, having been for public service."

On May 18, 1932, the Department inquired of the United States Employees' Compensation Commission, Washington, D. C., whether the Act, approved May 17, 1928, entitled "An Act To provide compensation for disability or death resulting from injury to employees in certain employments in the District of Columbia, and for other purposes," is applicable to employees of American or foreign nationality in the embassies and legations in the District of Columbia. The Act provides that—

"the term 'employer' shall be held to mean every person carrying on any employment in the District of Columbia, and the term 'employee'

[5] Correspondence not printed.

shall be held to mean every employee of any such person" (25 [45] Stat. at L., Pt. 1, 600)

It also expressly provides that it shall not apply to Government employees of the United States. In these respects the law is similar to the Mexican labor law.

In a letter, dated May 27, 1932, the Commission replied in part as follows:

"The law referred to relates to an employer carrying on any employment in the District of Columbia and makes no exception relative to employees of foreign governments. This law, however, adopts and makes applicable to employments in the District of Columbia the provisions of the Longshoremen's and Harbor Workers' Compensation Act of March 4, 1927.[6] Section 3 (*a*) (2) of the latter act exempts from the application of this law an officer or employee of any foreign government or of any political subdivision thereof.

"The Commission has held informally that a foreign government is not subject to the District of Columbia Compensation law. Examination of the records of the Commission fails to disclose a record of any report of an injury to an employee of a foreign Embassy or Legation, and it does not appear that these agencies have secured the payment of compensation to their employees under the law by taking out insurance or qualifying as self-insurers.

"The Commission accordingly advises that it is of the opinion that foreign Embassies and Legations in the District of Columbia do not come within the terms of the Act of May 17, 1928, and that they are not required to secure the payment of compensation to their employees under that law." (File #701.0011/159)

Very truly yours, For the Secretary of State:
WILBUR J. CARR

[6] 44 Stat. 1424.

THE NEAR EAST AND AFRICA

AFGHANISTAN

UNSUCCESSFUL NEGOTIATIONS BETWEEN THE UNITED STATES AND AFGHANISTAN LOOKING TOWARD A PROVISIONAL AGREEMENT IN REGARD TO FRIENDSHIP, DIPLOMATIC AND CONSULAR REPRESENTATION, JURIDICAL PROTECTION, AND COMMERCIAL RELATIONS

711.90H/23

The Ambassador in France (Straus) to the Secretary of State

No. 1282 PARIS, October 13, 1934.
[Received October 23.]

SIR: I have the honor to report that on the occasion of the call which the Afghan Minister, H. R. H. Shah Wali paid on me, after my communication to him of September 6, 1934,[1] enclosing, in accordance with the Department's Instruction No. 549 of August 28, 1934,[2] the original and copy of a letter addressed by the President to His Majesty Mohammed Zahir, King of Afghanistan, according the recognition by the United States of Afghanistan, H. R. H. Shah Wali raised the question of future relations between the Afghan monarchy and the United States. He expressed the hope that these relations might be established on a permanent basis as soon as possible and that to that end a treaty of friendship should be concluded. He followed up this suggestion by a note, a copy and translation of which are enclosed herewith.[3]

In my reply, a copy and translation of which are likewise transmitted herewith,[3] I contented myself with saying that I had carefully examined his communication and would not fail to take up the matter with him at a later date. Since that reply, I have had a personal talk with H. R. H. Shah Wali on the occasion of M. Barthou's[4] funeral, at which time I informed him that I had forwarded his letter to the Department of State. Accordingly, I shall await the Department's suggestions for a reply.

Respectfully yours, JESSE ISIDOR STRAUS

[1] Not found in Department files.
[2] *Foreign Relations*, 1934, vol. II, p. 750.
[3] Not printed.
[4] Jean Louis Barthou, French Foreign Minister, assassinated October 9, 1934.

711.90H/23

The Secretary of State to the Ambassador in France (Straus)

No. 692 WASHINGTON, January 2, 1935.

SIR: The receipt is acknowledged of your despatch No. 1282 of October 13, 1934, with reference to the proposal by the Afghan Minister in Paris of a treaty of friendship between the United States of America and the Kingdom of Afghanistan.

Although this Government is not averse in principle to concluding a treaty of friendship and commerce with the Government of Afghanistan, it considers that the purposes which the two Governments have in mind might be accomplished more expeditiously and satisfactorily by the conclusion of a less formal agreement. You are therefore authorized to propose to the Afghan Minister the negotiation of an agreement along the lines of the draft of which two copies are enclosed. The proposed agreement is similar to that between the United States and the Kingdom of Saudi Arabia, signed at London on November 7, 1933,[5] two copies of which are also enclosed.

You will observe that the proposed agreement with Afghanistan differs from the Agreement with Saudi Arabia only in the following respects:

(1) The inclusion in the Afghan agreement of a new article (Article I) providing for enduring peace and friendship.

(2) The omission from Article II of the Afghan agreement of the phrase "in the places wherein consular representatives are by local laws permitted to reside". That phrase was included in the Saudi Arabian agreement at the request of the Arabian Government because local laws did not permit foreign consular officers to reside in certain holy places. Presumably no reason exists for the inclusion of a similar provision in the proposed agreement with Afghanistan.

(3) The omission from Article IV of the Afghan agreement of the provisions relating to "navigation" which appear in Article III of the Arabian agreement. Since Afghanistan is a land-locked country obviously no necessity exists for provisions regarding navigation.

(4) The inclusion in Article V of the Afghan agreement of a reference to the Reciprocal Trade Agreement of August 24, 1934, with Cuba,[6] which has been concluded since the date the Arabian agreement was signed.

(5) The omission from the Afghan agreement of the final provision of the Arabian agreement regarding the use of English and Arabic. The drafting of the proposed agreement with Afghanistan solely in English would greatly facilitate and expedite its conclusion. In the event that the Afghan Minister is prepared to sign the enclosed draft agreement in its present form you are authorized to sign the agreement, a full power for which is herewith transmitted. A like full power should be presented by the Afghan Minister and the two

[5] *Foreign Relations*, 1933, vol. II, p. 999.
[6] *Ibid.*, 1934, vol. V, p. 169.

full powers exchanged. You will observe that the final article of the draft agreement recites that the representatives of the two Governments have been duly authorized.

Should the Afghan Minister desire a French text you are instructed to prepare such a text and forward it to the Department for comparison. In this case, the language of the first paragraph of Article VII would read as follows:

"The English and French texts of the present Agreement shall be of equal validity."

However, if the Afghan Minister insists that the agreement be in Persian as well as English, you are instructed to point out that the preparation of the Persian text would have to be done by the Legation at Teheran and a considerable amount of time would inevitably be lost. In case, however, it be agreed to have a Persian text, the Department desires to propose the following as a first paragraph of Article VII:

"The English and Persian texts of the present Agreement shall be of equal validity, but in case of divergence the English text shall prevail."

The Department will be pleased to learn the attitude of the Afghan Minister toward the proposed agreement and it will issue further instructions to you in the event that the Afghan authorities make counter proposals.

Very truly yours, For the Secretary of State:
WILLIAM PHILLIPS

[Enclosure]

Draft Agreement Between the United States of America and the Kingdom of Afghanistan in Regard to Friendship, Diplomatic and Consular Representation, Juridical Protection, and Commercial Relations

ARTICLE I

There shall be a firm and enduring peace and sincere friendship between the United States of America and its citizens, and His Majesty the King of Afghanistan, his successors and subjects, throughout all their territories and possessions.

ARTICLE II

The diplomatic representatives of each country shall enjoy in the territories of the other the privileges and immunities derived from generally recognized international law. The consular representatives of each country, duly provided with exequatur, will be permitted to

reside in the territories of the other; they shall enjoy the honorary privileges and the immunities accorded to such officers by general international usage; and they shall not be treated in a manner less favorable than similar officers of any other foreign country.

ARTICLE III

Subjects of His Majesty the King of Afghanistan in the United States of America, its territories and possessions, and nationals of the United States of America, its territories and possessions, in the Kingdom of Afghanistan shall be received and treated in accordance with the requirements and practices of generally recognized international law. In respect of their persons, possessions and rights, they shall enjoy the fullest protection of the laws and authorities of the country, and they shall not be treated in regard to their persons, property, rights and interests, in any manner less favorable than the nationals of any other foreign country.

ARTICLE IV

In respect of import, export and other duties and charges affecting commerce, as well as in respect of transit, warehousing and other facilities, the United States of America, its territories and possessions, will accord to the Kingdom of Afghanistan, and the Kingdom of Afghanistan will accord to the United States of America, its territories and possessions, unconditional most-favored-nation treatment. Every concession with respect to any duty, charge or regulation affecting commerce now accorded or that may hereafter be accorded by the United States of America, its territories and possessions, or by the Kingdom of Afghanistan to any foreign country will become immediately applicable without request and without compensation to the commerce of the Kingdom of Afghanistan and of the United States of America, its territories and possessions, respectively.

ARTICLE V

The stipulations of this Agreement shall not extend to the treatment which is accorded by the United States of America to the commerce of Cuba under the provisions of the Commercial Convention concluded between the United States and Cuba on December 11, 1902,[7] or the Reciprocal Trade Agreement concluded August 24, 1934, or the provisions of any other commercial convention which hereafter may be concluded between the United States of America and Cuba. Such stipulations, moreover, shall not extend to the treatment which is accorded to the commerce between the United States of America and the Panama Canal Zone or any of the dependencies of the United

[7] *Foreign Relations*, 1903, p. 375.

States of America or to the commerce of the dependencies of the United States of America with one another under existing or future laws.

Nothing in this Agreement shall be construed as a limitation of the right of either Government to impose, on such terms as it may see fit, prohibitions or restrictions of a sanitary character designed to protect human, animal, or plant life, or regulations for the enforcement of police or revenue laws.

Nothing in this Agreement shall be construed to affect existing statutes of either country in relation to the immigration of aliens or the right of either Government to enact such statutes.

ARTICLE VI

The present stipulations shall become operative on the day of signature hereof and shall remain respectively in effect until the entry into force of a definitive treaty of commerce, or until thirty days after notice of their termination shall have been given by the Government of either country, but should the Government of the United States of America be prevented by future action of its legislature from carrying out the terms of these stipulations, the obligations thereof shall thereupon lapse.

ARTICLE VII

In witness whereof the undersigned, duly authorized thereto by their respective Governments, have signed this agreement, in duplicate, at Paris this day of , one thousand nine hundred and

711.90H/30 : Telegram

The Ambassador in France (Straus) to the Secretary of State

PARIS, February 14, 1935—7 p.m.
[Received February 14—4 : 22 p.m.]

129. After considerable delay, the Afghan Minister called yesterday stating that he had submitted the matter of an accord to his Government which preferred a formal treaty. I pointed out that the ratification of a treaty was a matter that would consume considerable time and that I had assumed his interest was to establish provisional relations before the setting up of a legation in Kabul after which time the question of more formal relations could be studied.

In my opinion, this counter-proposal need not be taken very seriously as the Afghan Minister Shah Wali immediately said that if it was my opinion that such a procedure would result in too great delay he would in all probability be prepared to sign the accord as originally proposed.

836401—53——42

Unless otherwise instructed, I shall proceed at the earliest opportunity to obtain his signature to the accord forwarded with the Department's instruction No. 692, January 2d, 1935, for which he has full powers.

STRAUS

711.90H/32 : Telegram

The Ambassador in France (Straus) to the Secretary of State

PARIS, June 4, 1935—11 a.m.
[Received June 4—9 : 15 a.m.[9]]

464. Reference Department's despatch No. 692 of January 2, 1935, concerning an agreement between the United States and Afghanistan. After prolonged negotiations the Afghan Legation here with authority from Kabul has agreed to all the articles proposed by the State Department in its draft agreement enclosed with instruction 692 with the exception of article 4. Afghanistan proposes the following wording above-mentioned article:

"Every right and concession with respect to questions affecting commerce and customs now accorded or that may hereafter for the future be accorded by the United States of America, its territories and possessions, to any third foreign country, will be also applicable to Afghanistan. In the same way every right and concession the Government of His Majesty the King of Afghanistan, with respect to questions of commerce and customs, accord or may hereafter for the future accord to any third foreign country, the said right and concession will be applicable to the United States, its territories and possessions."

As will be seen by comparison with the Department's wording of article 4, Afghanistan desires to leave out the most-favored-nation clause. The reason that the Afghan Minister, Shah Wali, advances for this omission is that the most-favored-nation clause was omitted by Afghanistan in its treaties with Great Britain and the Soviets and that it does not wish to involve itself later with these powers. A difference in wording will also be seen between the Department's draft of article 4 and the Afghan version above quoted but the Embassy believes that in this as in the precise wording of the other articles Afghanistan will accept the Department's terminology. The question now arises of the language or languages in which the agreement is to be signed. The Afghan Minister desires an English and an Iranian. I have strongly informed him that this will take endless time and that I hope that his Government will see its way clear to sign in English alone or at the outside in English and French. The Afghan Minister has informed me that he will take up this matter immediately with

[9] Telegram in two sections.

his Government while I in turn have told him that I would refer the question of the differences in article 4 to my Government. May I have the Department's reaction to the Afghan propositions regarding article 4?

STRAUS

711.90H/32 : Telegram

The Secretary of State to the Ambassador in France (Straus)

WASHINGTON, June 6, 1935—5 p.m.

209. Your No. 464, June 4, 11 a.m. The Department's policy is to conclude commercial agreements providing that most-favored-nation treatment shall be extended unconditionally, without compensation and without request. It does not appear that the Afghan Government differs in principle from this proposal. The Afghan counter-proposal is ambiguous and consequently the Department much prefers its own draft of Article IV.

Your position with respect to languages of final text approved.

HULL

711.90H/33 : Telegram

The Ambassador in France (Straus) to the Secretary of State

PARIS, June 29, 1935—11 a.m.
[Received June 29—9:15 a.m.]

548. Department's 209, June 6, 5 p.m. Afghans still unwilling to accept phraseology of article 4 in accordance with the Department's original draft, being embarrassed by the use of the words "most favored nation" treatment.

In order to get around this difficulty might I be authorized [10] to propose the substitution of the text of present article 4 by the article on the most favored nation clause contained on page 12 of the general provisions for inclusion in trade agreements forwarded with Department's circular instruction diplomatic serial number 2572 of June 6, 1935.[11]

STRAUS

711.90H/37 : Telegram

The Chargé in France (Marriner) to the Secretary of State

PARIS, October 7, 1935—6 p.m.
[Received October 7—2:10 p.m.]

863. Reference Embassy's telegram No. 548, June 29, 11 a.m., and the Department's reply 263, July 3, 6 p.m.,[12] concerning the proposed trade agreement between Afghanistan and the United States.

[10] Authorization was granted in Department's telegram No. 263, July 3, 6 p.m.
[11] Not printed.
[12] See footnote 10, above.

The Afghan Minister has just informed me by note that his Government is prepared to accept as phraseology for article IV of the agreement, the wording of the article on the most-favored-nation clause as contained on page 12 of the general provisions for inclusion in trade agreements forwarded with the Department's circular instruction diplomatic serial No. 2572 of June 6, 1935,[18] with the following exception: the Afghan Government wishes the phrase "immediately and unconditionally" struck out.

With that sole exception the agreement as it now stands is satisfactory to Afghanistan and the Afghan Minister in Paris is prepared to sign texts in English and French, the idea of a Persian text having been definitely abandoned.

May I have the Department's reaction to the Afghan alteration on article IV as above stated?

MARRINER

711.90H/37 : Telegram

The Secretary of State to the Ambassador in France (Straus)

WASHINGTON, October 14, 1935—8 p.m.

425. Your 863, October 7, 6.00 p.m. As stated in Department's 209, June 5, 5.00 p.m., it is the policy of this Government to conclude commercial agreements providing for most-favored-nation treatment. Unless this principle is concurred in by Afghanistan, the Department would not feel in a position to recommend acceptance of the agreement. Provided unconditional most-favored-nation treatment is assured, Department is not greatly concerned about the form or language of the provision. It would seem to be possible to omit the words "immediately and unconditionally" and still achieve the result.

If the Afghan Minister understands this and accepts fully the principle of unconditional most-favored-nation treatment, Department will be glad to submit new language calculated to accomplish this purpose.

HULL

711.90H/38 : Telegram

The Ambassador in France (Straus) to the Secretary of State

PARIS, October 18, 1935—noon.
[Received October 18—11:05 a.m.]

905. Department's 425, October 14, 8 p.m. The Embassy found the text of article 4 as suggested in the Embassy's telegram No. 548, June 29, 11 a.m., was approved by the Department's telegram No. 263, July 3, 6 p.m. The present proposed Afghan alteration would make that article read as follows:

[18] Not printed.

"With respect to customs duties or charges of any kind imposed on or in connection with importation or exportation, and with respect to the method of levying such duties or charges, and with respect to all rules and formalities in connection with importation or exportation, and with respect to all laws or regulations affecting the sale or use of imported goods within the country, any advantage, favor, privilege or immunity which has been or may hereafter be granted by the United States of America or the Kingdom of Afghanistan to any article originating in or destined for any third country shall be according [*accorded*] to the like article originating in or destined for the Kingdom of Afghanistan or the United States of America, respectively."

As pointed out in previous telegrams Afghan Legation understands the principle enunciated in the article is that of most-favored-nation treatment. If the language quoted above is satisfactory the signature of the treaty could be arranged in short order. On the other hand, if the Department wishes to submit other new language, matter must wait further references to Kabul.

STRAUS

711.90H/38 : Telegram

The Secretary of State to the Ambassador in France (Straus)

WASHINGTON, October 26, 1935—1 p.m.

438. Your 905, October 18, noon. Quoted text for Article 4 is satisfactory to the Department.

In view of previous doubts about Afghan position regarding most-favored-nation treatment, you should assure yourself that the Government of Afghanistan understands the language to carry the obligation of unlimited and unconditional most-favored-nation treatment. This should be confirmed by a statement in writing from the Afghan Minister to you. The statement need not be considered a formal part of the agreement or published with it. This having been accomplished, you may proceed to signature.

HULL

711.90H/40 : Telegram

The Ambassador in France (Straus) to the Secretary of State

PARIS, November 22, 1935—1 p.m.
[Received November 22—10:10 a.m.]

984. I have received a note from the Afghan Minister in reply to mine of October 29 [14] based on the Department's cable No. 438, October 26, 1 p.m., a translation of which reads as follows:

"Pursuant to your letter dated October 29, I have the honor to inform Your Excellency that there does not exist between the Afghan Gov-

[14] Not printed.

ernment and any other country a commercial treaty or accord containing the most-favored-nation clause.

It is well understood that in case a commercial treaty or accord is concluded between my Government and another country containing the most-favored-nation clause, the same treatment will be applied as regards the Government of the United States of America.

I would be happy to proceed to the signature of the treaty in course of negotiations between our two countries on a date to be fixed by Your Excellency."

I have twice explained to the Afghans our willingness to reconcile the wording that they request with the sense that we feel must be the basis of any commercial agreement. In fact, on one occasion they were persuaded to retire the note above quoted for reconsideration. However, apparently they seem to feel that their instructions do not permit them to go further although it has been made clear that their note as it reads practically finishes negotiations and makes the conclusions of an agreement well nigh impossible.

Despatch follows.

STRAUS

EGYPT

STATEMENT BY THE DEPARTMENT OF STATE RELATING TO THE OFFICIAL STATUS OF THE AMERICAN CONSULAR COURT AT CAIRO

176/8

The Secretary of State to Messrs. Alexander and Green of New York

WASHINGTON, August 26, 1935.

SIRS: The receipt is acknowledged of your letter of August 10, 1935,[1] in which you ask to be advised "of the official status of the American Consular Court at Cairo with particular reference to its jurisdiction over persons *non compos mentis*, and its powers relative to the appointment of guardians for such persons".

The American Consular Court at Cairo is one of the consular courts maintained by the United States in Egypt. The jurisdiction of these courts is derived from (1) a treaty concluded between the United States and the former Ottoman Empire—of which Egypt was formerly a part; (2) custom and usage under the capitulatory régime in Egypt and in the former Ottoman Empire; (3) the laws of the United States enacted to give effect to the treaties of the United States by virtue of which the United States was granted extraterritorial jurisdiction. The substance of these laws is embodied in Sections 4083–4130 of the Revised Statutes of the United States; Title 22, Sections 141–183, U. S. Code.

The treaty basis of American jurisdiction in Egypt is contained in Article IV of the Treaty of Commerce and Navigation concluded between the United States and the former Ottoman Empire on May 7, 1830.[2] This article reads as follows:

"Article IV

"If litigations and disputes should arise between subjects of the Sublime Porte and citizens of the United States, the parties shall not be heard, nor shall judgment be pronounced unless the American Dragoman be present. Causes in which the sum may exceed five hundred piastres, shall be submitted to the Sublime Porte, to be decided according to the laws of equity and justice. Citizens of the United States of America, quietly pursuing their commerce, and not being charged or convicted of any crime or offence, shall not be molested;

[1] Not printed.

[2] William M. Malloy (ed.), *Treaties, Conventions, etc., Between the United States of America and Other Powers*, 1776–1909 (Washington, Government Printing Office, 1910), vol. II, p. 1318.

and even when they may have committed some offence they shall not be arrested and put in prison, by the local authorities, but they shall be tried by their Minister or Consul, and punished according to their offence, following, in this respect, the usage observed towards other Franks."

The capitulatory rights and privileges formerly granted to foreigners in the Ottoman Empire were greatly enlarged by custom and usage in Egypt and capitulatory nationals finally enjoyed complete exemption from local laws and were subject solely to the jurisdiction of their own courts. However, much of the jurisdiction originally exercised by American consular courts in Egypt has been transferred to the Mixed Courts of Egypt which were established in 1875,[3] and the jurisdiction of American consular courts is now limited to criminal actions in which American citizens are defendants; to civil suits involving American citizens exclusively and to matters of personal status of American citizens including marriage, divorce, decedents' estates, guardianship, et cetera.

The transfer to the Mixed Courts of some of the jurisdiction of American consular courts in Egypt was effected by the President's proclamation of March 27, 1876, (19 Stat. L 662) which was authorized by the Act of Congress approved March 23, 1874 (18 Stat. L 23). That proclamation, however, suspended the judicial functions of American consular officers in Egypt only to the extent that the jurisdiction of the Mixed Courts " . . . may embrace matters now cognizable by the Ministers, Consuls or other functionaries of the United States in the said dominions . . ."

That the Mixed Courts never were invested with jurisdiction in personal status cases is evidenced by Article 9 of the Règlement D'Organisation Judiciaire of the Mixed Tribunals of Egypt which expressly withheld personal status matters from the competence of the Mixed Tribunals, and by Article 4 of the Civil Code of the Mixed Courts which reads in translation as follows: "questions relating to the legal status and capacity of persons, and to the law of marriage, to the rights of natural and testamentary succession, and to guardianship shall remain within the jurisdiction of the appropriate court of personal status", (Code Civil Mixte, Codes Egyptiens[)].

The consular courts have long been recognized as the appropriate courts of personal status of their respective nationals in Egypt, and in conformity with the provisions of Article 4 of the Civil Code of the Mixed Courts, above quoted, consular courts continued to exercise this jurisdiction after the establishment of the Mixed Courts. Accordingly, the President's proclamation of March 27, 1876, did not

[3] *Règlement d'Organisation Judiciaire pour les Procès Mixtes en Égypte* (23 January, 1875), *British and Foreign State Papers*, vol. LXVI, p. 593.

affect American consular jurisdiction over matters involving the personal status of citizens of the United States in Egypt and that jurisdiction is still exercised by American consular courts in Egypt.

Very truly yours, For the Secretary of State:
GREEN H. HACKWORTH
Legal Adviser

ATTEMPT BY THE EGYPTIAN GOVERNMENT TO OBTAIN A GREATER DEGREE OF EQUALITY BETWEEN THE EGYPTIAN AND FOREIGN ELEMENTS IN THE ORGANIZATION AND PROCEDURE OF THE MIXED COURTS[4]

883.05/516

Memorandum by the Chief of the Division of Near Eastern Affairs (Murray)

[WASHINGTON,] October 13, 1934.

Mr. Engert, our Chargé at Cairo, advised us yesterday by telegraph[5] of the receipt of a note from the Egyptian Government[5a] requesting this Government to signify its agreement with the Egyptian point of view that native Egyptian Judges should have the right to preside over chambers of the Mixed Court and that the Arabic language be admitted in practice in the pleadings and decisions of those Courts.

These requests come about as a result of incidents which occurred last February. At that time one of the Egyptian Judges sitting on the Third Chamber of the Court of Appeals at Alexandria offered himself for appointment as President on the ground that there was nothing in the organic law of the Mixed Tribunals[6] to prevent Egyptian Judges from such appointments. The matter was considered by the General Assembly of the Court of Appeals which decided that in the light of the wording of the Mixed Court Charter and in view of the unbroken practice of nearly fifty-eight years Egyptian Judges were not entitled to preside over any of the Chambers. The General Assembly added as its unanimous opinion that the level of education, intelligence and integrity of Egyptian Judges had so risen since the establishment of the Mixed Courts that there were now Egyptian Judges on those Courts quite as capable as foreigners of occupying the office of President of a Chamber.

The Egyptian Judges on the Courts took strong exception to this decision and threatened to go on strike in order further to show their displeasure. One or more of the Judges commenced to issue decisions in Arabic rather than in French which had hitherto been the language

[4] For previous correspondence, see *Foreign Relations*, 1932, vol. II, pp. 621 ff.
[5] Not printed.
[5a] Note of October 12, not printed.
[6] *Règlement d'Organisation Judiciare pour les Procès Mixtes en Égypte* (23 January, 1875), *British and Foreign State Papers*, vol. LXVI, p. 593.

of the Courts. In the use of the Arabic language the Egyptian Judges were supported by the Court Charter which provides that Arabic, English, French and Italian shall be the official languages. In order to avoid confusion and to prevent the Courts becoming a babel, there has been for sometime a tacit agreement that French only should be used. As a matter of fact it is almost impossible to find suitable English or Arabic terms for some of the legal expressions current in Court since the law applied is based upon the Napoleonic Code.

Mr. Engert states that the Egyptian Government has requested a favorable reply before the reopening of the Courts next week. He is informing the Egyptian authorities, however, that such an answer is obviously impossible and that he is submitting the Egyptian note to the Department for its consideration. At the same time he plans to furnish us with the views of the other Capitulatory Powers.

Although we cannot come to a final decision until we have received further information, it seems to us at present that there would be no objection to granting the Egyptian request that native Judges shall have the right to preside over Chambers. It would not appear that this would be a dangerous practice inasmuch as the foreign judges in the Chamber are always in the majority. Thus in the lower Courts a Chamber is composed of two foreign Judges and one native. In the Court of Appeals three foreign Judges and two natives sit on each Chamber. Accordingly even if a native Judge is permitted to preside the foreign Judges will always hold the balance of power.

So far as the use of the Arabic language is concerned it would appear to be appropriate to inform the Egyptians that the use of Arabic, along with English, French and Italian, is already freely conceded by the Mixed Court Charter and that it would appear to be unnecessary and improper for this Government to take any action on the Egyptian request. It might further be pointed out that the question of use of languages would appear to be one for determination by the Mixed Courts themselves in the light of the exigencies of the situation and with a view to the prompt dispatch of judicial business.

WALLACE MURRAY

883.05/515

Memorandum by the Chief of the Division of Near Eastern Affairs (Murray)

[WASHINGTON,] October 17, 1934.

Our Chargé d'Affaires at Cairo has sent us by delayed cable [7] further details regarding the recent note from the Egyptian Government asking our consent to the principle that native judges shall have the right to preside over chambers of the Mixed Court.

[7] Not printed.

Mr. Engert states that the note berates the Mixed Courts for not keeping in touch with the evolution of Egypt and accuses them of retaining the feature of foreign predominance and everything pertaining to capitulatory privileges. The Egyptian Government adds that it "is therefore obliged to terminate this anomaly and pending action which it will soon take to this end", it feels that the right of Egyptian judges to preside over chambers and the use of the Arabic should be formally recognized.

As I pointed out in my last report on this subject there is probably no reason why we should not agree to having qualified Egyptian judges preside over chambers of the court. So far as the use of the Arabic language goes, that right has long since been fully recognized. For reasons of convenience and for administrative purposes, however, it has been the practice of the court to draft its decisions in French. It is difficult to see how this system could be changed without creating difficulties and slowing down the administration of justice.

We are not quite clear what the Egyptians have in mind in stating that they will soon take action to terminate "this anomaly". Most likely they refer to a proposed conference to consider changes in the Mixed Court régime or they may be considering unilateral action with a view to terminating the courts. In the latter case foreign nationals would presumably return to the full capitulatory or consular jurisdiction which prevailed in Egypt prior to the establishment of the courts in 1878.

It seems unlikely that the Egyptians will take any precipitate action, however, for the British will undoubtedly hold them in check, since they are responsible for the protection of foreigners in Egypt. In this connection it is to be observed that the British High Commissioner and his first two assistants are now absent from Egypt and a temporary Acting High Commissioner (a Foreign Office official) is now in charge. It seems quite possible that the Egyptians have seized the opportunity to issue this circular note to the Powers with the thought that it will have a good effect in domestic affairs.

In any case, it appears unnecessary for us to take any action until we receive a complete mail report from Cairo.

WALLACE MURRAY

883.05/536

Memorandum by the Under Secretary of State (Phillips)

[WASHINGTON,] November 6, 1934.

During his call this morning the Egyptian Minister made a very strong appeal that we reply favorably to the recent note received from the Egyptian Government through our Legation in Cairo with regard

to raising certain points in connection with the Mixed Court. The principal point involved, according to the Minister, was the use of the Arabic language by the Egyptian Judge; he gave me the impression that Arabic was one of the languages which was officially permitted in Court procedure; he said that his Government's request was made upon the insistence of the Prime Minister, who felt strongly about it; all that he asked of us was that we reply that, so far as the United States was concerned, it had no objection; he felt that this would be immensely appreciated by the Egyptian Government and people and would gain new sympathy and admiration for the United States throughout Egypt; he spoke about the Democratic regime in this country as a liberal one; he referred to the fact that the Egyptian people were proud of their nationality and language and he felt confident that the American Government would recognize their just claims in this instance.

WILLIAM PHILLIPS

883.05/536

The Chief of the Division of Near Eastern Affairs (Murray) to the Under Secretary of State (Phillips)

[WASHINGTON,] November 6, 1934.

DEAR MR. PHILLIPS: In connection with your conversation this morning with the Egyptian Minister I think the following observations may be in order.

The recent note from the Egyptian Government, referred to by the Minister, has in fact been received through our Legation in Cairo and will be replied to in due time after we are in receipt of certain confidential comments thereon which Judge Brinton, one of our senior judges on the Mixed Court of Appeals, is preparing for our information.

As regards the matter of the use of the Arabic language in the courts, I may say that the court statutes do in fact permit the use of that language as well as French, English and Italian. However, by long usage it has been agreed that the cases shall be conducted and decisions rendered in French. This agreement was arrived at among the judges themselves and has nothing to do whatever with this Government. Since the Egyptians already have the right in principle to use the Arabic language it is up to them to persuade the foreign judges to use that language, which of course for practical purposes is out of the question. In any case, we have no authority over such administrative matters in the Egyptian mixed courts, and this can of course in due time be pointed out to the Egyptians in a polite manner.

W[ALLACE] M[URRAY]

883.05/525

The Chief of the Division of Near Eastern Affairs (Murray) to the Under Secretary of State (Phillips)

[WASHINGTON,] January 3, 1935.

DEAR MR. PHILLIPS: You will recall that on October 12, 1934, the Egyptian Government addressed a circular note [9] to the Capitulatory Powers bringing up two questions regarding the Mixed Courts; (one) the Egyptian Government requested the Capitulatory Powers to accede to the request that Egyptian judges be permitted to preside over the various Chambers of the Court and (two) the request was made that Egyptian judges be permitted to draft their opinions in Arabic.

Before drafting a reply to the Egyptian request we considered it desirable to obtain the opinion of one or more of the American judges on the Mixed Courts. The Legation has forwarded a letter [9] from Justice Brinton, the American judge on the Court of Appeals, in which he expresses the opinion that since the General Assembly of the Courts has already decided that under existing regulations Egyptian judges are not entitled to preside over the Chambers, it would be difficult for the Powers to take an opposite view. He points out, moreover, that it is difficult to see how the Assembly could appropriately alter its opinion even if requested to do so by the Powers. He adds that the proper method of handling the question is for the Egyptian Government to propose to the Powers a specific modification of the text of the regulations of organization of the Mixed Courts. In this text specific provision could be made for Egyptian judges to preside over the Chambers.

With respect to the question of the use of the Arabic language Justice Brinton points out that the present regulations provide as follows:

"The judicial languages employed before the courts for the pleadings and the preparation of writs and decisions are: Arabic, English, French and Italian."

Justice Brinton points out that it is unnecesary for him to remind the Department of the difficulties which would arise in the event that the various judges endeavored to use all of these languages instead of drafting their judgments in French as is now the case. He suggests that the only proper answer to the Egyptians would appear to be the suggestion to present a specific modification of the present regulation which could be considered by the Powers.

[9] Not printed.

We had intended to draft a reply to the Egyptian circular note along the lines of Justice Brinton's suggestions when we noticed a press report to the effect that the present Egyptian Government did not consider itself bound by the note of October 12th which was presented to the Powers by a previous government. Upon taking the matter up with the Legation at Cairo we learned that no responsible Egyptian official had indicated that the present government was not in accord with the note of October 12th. The Legation added, however, that the fact that the question had not been referred to since the new government took office had given rise to the belief in some quarters that the present government would not press the Powers for an answer. The Legation goes on to state that only one reply has been received by the Egyptians, and that is from the French Government. This reply was in general somewhat similar to that which we had had in mind making, but on the whole is apparently somewhat less satisfactory to the Egyptians than ours might be expected to be. No other Legation than the French has as yet made any answer to the Egyptian note.

As you know, it has long been our custom in dealing with capitulatory matters in Egypt to avoid taking the lead. We have felt that other Powers such as Great Britain, France, Italy and Greece with interests far greater than our own could more appropriately take the lead in such matters. In the present case, therefore, since only the French Government has replied to the Egyptian note and since the Egyptians are not pressing us for an answer, I should be inclined to delay a reply until after the Powers more directly concerned have taken action. It is not at all improbable that the new Egyptian Government will address a new note to the Powers in a tone more courteous and satisfactory than that drafted by the last Cabinet. A new note of this type would undoubtedly permit us to make a more satisfactory reply than we are able to do under existing conditions. Such a method of procedure appeals to me, moreover, in that it avoids our committing ourselves to a course of action when it is not necessary for us to do so.

However, if you feel that we should make a reply at this time we could possibly instruct the Legation to give the Minister for Foreign Affairs an oral answer along the general line of that which we have had in mind.[10]

WALLACE MURRAY

[10] The following penciled comment in Mr. Phillips' handwriting appears as a marginal note: "I agree that there is no need of haste to answer. Better wait action of other powers more directly concerned. W. P."

883.05/526 : Telegram (part air)

The Minister in Egypt (Fish) to the Secretary of State

CAIRO, January 25, 1935—10 a.m.
[Received January 28—4:04 p.m.]

4. Legation's 67, December 27 [*29*], 3 p.m.[11] British Government's reply dated January 21st states there is no objection to the way being opened for Egyptian judges to preside Chambers but as the General Assembly of the Court of Appeals had quite clearly adopted a judicial interpretation of the existing law when it rejected this demand last February an amendment of the regulations will be necessary.

Arabic may of course be used in judgments and the reason it has not been used was due solely to the desire to facilitate smooth working of the courts. Nor is Arabic the only one of the four languages which has been neglected for reasons of administrative convenience. Discretion must lie with the Chamber as a whole subject to the general guidance of the President of the General Assembly. British Government would view with the gravest concern attempts to enforce the use of any one language for a political purpose.

British Government adds that it considers Egyptian note's criticisms of capitulations and Mixed Courts as irrelevant and will not reply to them but its forbearance must not be taken that it is in any way in agreement with them.

Text by mail.

FISH

883.05/529 : Telegram (part air)

The Minister in Egypt (Fish) to the Secretary of State

CAIRO, February 8, 1935—10 a.m.
[Received February 11—12:46 p.m.]

6. Legation's 4, January 25, 10 a.m. Egyptian Foreign Office in a note received today requests that the American Government be good enough to expedite Government reply to circular note No. 27, October 12, 1934.

FISH

883.05/531 : Telegram

The Minister in Egypt (Fish) to the Secretary of State

CAIRO, February 23, 1935—11 a.m.
[Received February 23—7:39 a.m.]

12. Legation's 6, February 8, 10 a.m. The Italian Government replied February 20th expressing sympathy with Egyptian wishes but

[11] Not printed.

stating that presidency of Chambers will require modification rather than interpretation of existing regulations. Use of the Arabic language should be given practical solution which must not interfere with normal functioning of courts or modify their organization or character.

FISH

883.05/517

The Secretary of State to the Minister in Egypt (Fish)

No. 76 WASHINGTON, March 18, 1935.

SIR: With reference to Mr. Engert's despatch No. 153 of October 12, 1934,[12] enclosing a copy of the French text of circular Note No. 27, addressed to the Legation on that date by the Egyptian Foreign Office, regarding the right of Egyptian judges to preside over chambers of the Mixed Courts and the use of the Arabic language in pleadings and judgments, I should be pleased to have you reply to the Minister for Foreign Affairs in substantially the following language:

"I am instructed by my Government to acknowledge the receipt of circular Note No. 27 which Your Excellency's predecessor addressed to the Powers on October 12, 1934, with regard to certain questions pertaining to the organization and functioning of the Mixed Tribunals.

"Although my Government feels impelled to record its definite dissent from the views concerning the Mixed Tribunals which are expressed in the fourteenth and fifteenth paragraphs of the circular note under reference, it considers that no useful purpose would be served by entering upon a discussion of that part of the note or commenting upon its tenor.

"With reference to the question of Egyptian judges presiding over Chambers of the Mixed Tribunals, my Government accepts without question the estimate of Egyptian judges held by their foreign colleagues, as expressed by the latter in their decision of February 21, 1934. Accordingly, my Government is prepared in principle to take whatever steps may be necessary to open the way to Egyptian judges to preside over chambers of the Court.

"It is my Government's understanding, however, that the General Assembly of the Court of Appeals has judicially determined that certain sections of the organic laws of the courts do not permit the election of Egyptian judges as presidents of the chambers. In order to permit of such election, therefore, it would seem necessary to effect a modification of the existing regulations and if the Egyptian Government should desire to propose an amendment of those regulations which would specifically authorize the election of Egyptian judges as presiding officers, I am authorized to state that the United States Government will be pleased to give such a proposal its prompt and sympathetic consideration.

"It is difficult to see what provision for the use of the Arabic language in the Mixed Tribunals can be made beyond that contained in

[12] Not printed.

the present regulations providing for the use of Arabic, English, French and Italian in the pleadings and in the preparation of documents and proceedings. In the view of my Government the question as to which of these languages shall be used in the Tribunals in any particular instance is entirely within the competence of the Mixed Tribunals and to be determined solely with a view to the prompt and effective administration of justice. My Government would view with disfavor any attempt to induce the Mixed Tribunals to take a decision in the matter of languages which would hamper the judges in the proper performance of their important duties. However, if the Egyptian Government desires to propose a new regulation regarding the use of the present official languages, designed further to improve the functioning of the Courts and the administration of justice, the United States Government will be pleased to give it prompt consideration."

Very truly yours, CORDELL HULL

883 05/545

The Egyptian Minister for Foreign Affairs (Aziz Izzet) to the American Minister in Egypt (Fish)[13]

[Translation]

No. 32.11/1 (33 Cir) CAIRO, July 10, 1935.

MR. MINISTER: According to the replies already received to the Circular No. 27 of October 12, 1934, regarding the right of Egyptian judges to preside over Chambers and the use of the Arabic language in the drafting of judgments, it appears that as regards the first of these two questions the Powers would regard with favor the admission of Egyptian judges to the presidency on the condition that the Regulations for the Judicial Organization be modified in this sense.

The Egyptian Government, while maintaining its point of view set forth in the above-mentioned Circular, does not consider that a divergence of views regarding the interpretation of the Regulations should prevent a change in the present practice.

In consequence, it submits for the approval of the interested Powers the text of an amendment to the Regulations for the Judicial Organization, in order that it may be promulgated before the opening of the judicial year 1935–1936. This amendment consists of inserting in the Regulations for the Judicial Organization an Article 3 bis worded as follows:

"After the appointment of their Vice Presidents, the Court (of Appeals), and the Tribunals subject to the approval of the Court (of Appeals), will designate the judges who are to preside over trials, without taking into consideration either their nationality or seniority."

[13] Transmitted to the Department by the Minister in Egypt in his despatch No. 312, July 23; received August 7.

I should be grateful to you, Mr. Minister, if you would be good enough to communicate the foregoing to the American Government and inform me as soon as possible of its reply.

I avail myself [etc.] AZIZ IZZET

883.05/551 : Telegram

The Secretary of State to the Minister in Egypt (Fish)

WASHINGTON, January 3, 1936—5 p.m.

1. Your 105, December 2, 10 a.m.[14] While the Department considers that reservations in the sense suggested in your despatch No. 320 of August 13, 1935,[14] would be warranted as an express confirmation of the recognized principle that foreign judges shall constitute a majority of the judges of each of the mixed courts, the Department questions whether, as a practical matter, any reservation is necessary to insure the recognition of the principle in view of its general acceptance and the inclination and authority of the foreign judges to prevent its violation.

The Department is therefore disposed to accept the proposed amendment without reservation but before making a definite decision it desires to obtain your views and any additional information you may be able to furnish as to the Egyptian Government's reaction to the French Government's suggested amendment[15] and the position taken or indicated by other interested Powers.

HULL

883.05/554 : Telegram (part air)

The Minister in Egypt (Fish) to the Secretary of State

CAIRO, January 7, 1936—11 a.m.
[Received January 10—12 : 44 p.m.]

1. Department's telegram No. 1. In view of the aggravation of Egyptian nationalist sentiment since the forwarding of the Legation's despatch No. 320 of August 13, 1935, the Legation fully shares the Department's opinion of the desirability of accepting the proposed amendment without reservations. This appears to be the feeling also of other interested powers who have replied with the exception of Italy which for special reasons [apparent omission] application [of]

[14] Not printed.

[15] The Minister in Egypt reported in despatch No. 425, November 20, 1935, that the French Government had accepted the Egyptian proposal on condition that a foreign judge must be chosen to preside over Chambers of only one judge and that Egyptian judges should not be appointed to more than one post as president of a Chamber in each of the three Courts, Cairo, Alexandria, and Mansurah, and of the Court of Appeals (883.05/549).

sanctions[16] may delay its acceptance. In any case the powers will profit from the French reservation independently of whether a similar reservation may be made by them. So far as may be ascertained the reaction of the Egyptian Government is one of animosity that the French Government should always hedge its acceptance of such modifications with reservations.

FISH

883.05/554 : Telegram

The Secretary of State to the Minister in Egypt (Fish)

WASHINGTON, January 13, 1936—3 p.m.

2. Your 1, January 7, 11 a.m. You may advise the Foreign Office that this Government accepts the proposed amendment to the Regulations for the Judicial Organization, the text of which was set forth in the note of the Minister for Foreign Affairs of July 10, 1935.

HULL

RESERVATION BY THE UNITED STATES GOVERNMENT REGARDING THE REORGANIZATION OF THE MUNICIPALITY OF ALEXANDRIA BY UNILATERAL ACTION OF THE EGYPTIAN GOVERNMENT

883.101/3

The Minister in Egypt (Fish) to the Secretary of State

No. 203 CAIRO, February 14, 1935.

SIR: Referring to despatches No. 613 of January 23, and No. 615 of February 1, 1935,[17] from the Consulate General at Alexandria, to the Department, I have the honor to report that this Legation has made inquiries among the other interested Legations regarding their attitude toward the recent reorganization of the Municipal Government of Alexandria as established by Decree-Law No. 1 of January 1, 1935, and two Ministerial Orders of January 2, 1935, which were published in the *Journal Officiel* of January 3 and 4, 1935, respectively.

From these inquiries the Legation gathers that while the Egyptian Government may have kept the Residency currently informed of the progressive steps in the elaboration of a new Administration for the City of Alexandria, the other Legations had not been kept informed and had therefore not had an opportunity of studying the proposed changes until they had been enacted into law.

However, the majority of the Legations now seem inclined to agree with the British High Commissioner that so long as the fiscal provi-

[16] See pp. 584 ff.
[17] Neither printed.

sions of the Decree of January 5, 1890,[19] viz. Articles 31 and 40, are not disturbed—and Decree-Law No. 1 of 1935 does not refer to them—the Powers cannot very well protest. Nevertheless, two of the interested Legations, the Italian and the Belgian, have advised their respective governments to "reserve all rights" in the premises, and they have now been instructed to make general reservations regarding the collection of taxes from their nationals under the new municipal régime.

The Italian Legation accordingly addressed a Note to the Ministry of Foreign Affairs under date of February 7, 1935, a copy and translation of which are attached (Enclosures Nos. 1 and 2) [20] offering to examine with the Egyptian Government and the other interested Legations the conditions under which the Italian Government could continue its assent to the collection of taxes from Italian nationals residing in Alexandria.

The Belgian Legation wrote a Note to the Egyptian Foreign Office in a similar sense on February 12, 1935, a copy and translation of which are likewise transmitted herewith. (Enclosures Nos. 3 and 4).[20]

This Legation does not believe that the Government of the United States need follow the example of the Italian and Belgian Governments to protect the fiscal interests of its citizens in Alexandria, but if the Department should feel that it would be preferable to make such reservations I respectfully suggest that the Legation be instructed to do so by telegraph.

Respectfully yours, BERT FISH

883.101/4

The Minister in Egypt (Fish) to the Secretary of State

No. 204 CAIRO, February 15, 1935.

SIR: I have the honor to report that since mailing my despatch No. 203 of February 14, 1935, the Legation has learned that the French Government has likewise informed the Egyptian Government that it reserves all rights regarding the changes effected in the administration of Alexandria by the "unilateral procedure" of the Decree-Law of January 1, 1935, and the Ministerial Orders of January 2, 1935.

The Legation also hears that some of the foreign residents of Alexandria may decide to test the validity of the new municipal administration by causing themselves to be sued in the Mixed Courts for refusal to pay taxes.

Respectfully yours, BERT FISH

[19] Published in *Journal Officiel* (Cairo), January 6, 1890.
[20] Not printed.

883.101/5

The Consul General at Alexandria (Russell) to the Secretary of State

No. 624 ALEXANDRIA, February 25, 1935.

SIR: I have the honor to refer to my despatches Nos. 613 and 615, of January 23 and February 1, 1935,[21] with reference to the reorganization of the Municipality of Alexandria, and to transmit herewith a copy of a letter addressed by the Association of Export Commerce of this city, dated February 16, 1935,[22] to His Excellency Tewfik Pacha Nessim, President of the Council of Ministers of the Egyptian Government, together with a suggested translation thereof.

The members of this organization as well as the import merchants and real estate owners were, as indicated in the letter, fully represented in the Municipal Commission from January 5, 1890, to January 1, 1935, and under the reorganization are not so represented, except by the general group of foreign representatives on the new commission. Inasmuch as these three groups do actually pay a large proportion of the taxes of the Municipality, and inasmuch as their representation on the old Municipal Commission was a recognition of this fact and was insisted upon by the Capitulatory Powers, the fact that they are no longer so represented and yet will presumably be called upon to pay the existing taxes (and possibly others) in the future, strongly supports their present protest.

It is understood that the French and Italian Legations at Cairo have made in writing certain friendly representations and formulated certain reservations on the question of the reorganization of the Municipality of Alexandria, with the Egyptian Ministry for Foreign Affairs, and that the Belgian Government has adhered to these representations and reservations. Apparently all other governments represented at Cairo have taken no definite stand as yet in the matter. It is clearly apparent from the local press, and still more so from conversations which the undersigned has had recently with various British merchants engaged in the import and export trade and with British property owners, that these people do not feel at the present time that their unfavorable attitude is of a nature to modify that of the British Residency at Cairo, which at least tacitly is approving of the reorganization of the Municipality of Alexandria.

As stated in previous despatches, the British official attitude towards any organization or movement of an international character tending to maintain the capitulatory rights seems to be distinctly unfriendly. Therefore considerable pressure upon the Residency (and presumably on the British Foreign Office as well) is believed locally to be

[21] Neither printed.
[22] Not printed.

necessary before the attitude shown by the French, Italian and Belgian Governments is supported by the British authorities in Egypt. The attitude of Greece seems to be based on cooperation with Great Britain at present, in spite of the large interests of Greek nationals at Alexandria.

The Consulate General would again reiterate its belief that the most likely challenge to the present municipal reorganization will be before the Mixed Tribunals when the Municipality of Alexandria attempts to collect taxes under the present regime from powerful and wealthy foreign firms. Furthermore, there is much reason to believe that such a challenge would be upheld by these tribunals.

Respectfully yours, H. EARLE RUSSELL

883.101/4

The Secretary of State to the Minister in Egypt (Fish)

[Extract]

No. 84 WASHINGTON, April 29, 1935.

SIR: The Department has received and has given careful consideration to your despatches No. 203 of February 14, and No. 204 of February 15, 1935, in regard to the reorganization of the municipal government of Alexandria.

From a study of the relevant documents it appears that the United States was one of the Powers which, in response to a circular note from the Egyptian Minister of Foreign Affairs dated May 16, 1889,[23] assented to the Organic Decree of 1890, establishing the Municipality of Alexandria. By instruction No. 175 of June 15, 1889,[24] the Department authorized the American Agent and Consul General at Cairo to give "the usual qualified assent" to the Decree, and, under date of July 8, 1889, the Agent and Consul General addressed the following note to the Egyptian Minister of Foreign Affairs:

"No. 1136 Agency & Consulate General
of the United States of America,
Cairo, July 8th, 1889

"Excellency: In response to your circular note, No. 343, of May 16th, last, I have the honor to inform you that the Government of the United States instructs me to signify to the Government of His Highness, the Khedive, that it adheres to the proposed decree, having for its object the creation of a Municipal government for the City of Alexandria; provided, that in its operation no discrimination shall be exercised against citizens of the United States.

"I am, Excellency, with the highest consideration,
"Your most obedient servant,

John Caldwell,
"Agent & Consul General.

[23] British C. 6135, Egypt No. 2 (1890), p. 28.
[24] Not printed.

"To His Excellency, Tulificar Pasha,
Minister of Foreign Affairs,
Cairo."

(Enclosure with despatch No. 302, July 8, 1889.)

It will be noted from the foregoing that the adherence of the United States was not limited to any particular article or articles but applied to the full text of the Decree. There appears to be nothing in the correspondence on the subject which supports the contention of the Egyptian Government and the British Residency to the effect that the assent of the capitulatory powers was requested only with respect to Article 31 and part of Article 40, both of which relate to taxation. . . .

.

Accordingly, the Department is in substantial accord with the views expressed in the notes presented to the Egyptian Government by the Belgian, Italian and French Legations, referred to in your despatches under acknowledgment. However, since the fiscal provisions of the Organic Decree do not appear to have been altered, it would seem that the situation of American nationals, from a practical point of view, will not be materially affected. If this were the only consideration the Department would be inclined to refrain from bringing its views to the attention of the Egyptian Government. It appears to be clear, however, that the action of the Egyptian Government, with the apparent consent of the British Residency, constitutes a further effort to impair existing capitulatory rights by unilateral action. Unless, therefore, you are convinced that no practical advantage would be obtained thereby and that a failure to make reservations would not in any degree adversely affect American interests in Egypt, the Department desires you to enter a reservation of the position of this Government in substantially the same terms adopted by the Italian and Belgian Legations in their notes of February 7, 1935, and February 12, 1935, respectively.

You will please inform the Department of the action taken in this matter and of the reasons impelling you thereto.

Very truly yours, For the Secretary of State:
WILLIAM PHILLIPS

883.101/8

The Minister in Egypt (Fish) to the Secretary of State

No. 266 CAIRO, May 23, 1935.

SIR: I have the honor to acknowledge the receipt of the Department's instruction No. 84 of April 29, 1935, regarding the recent reorganization of the Municipality of Alexandria. In the meantime the Department will have also received the Legation's despatch No. 235 of

April 11, 1935,[25] forwarding a further protest from the French Legation.

After further consultations with several of the interested Legations and a thorough examination of the entire situation, the Legation decided that it would be more prudent to be on record as having entered reservations on behalf of the Government of the United States in regard to the rights acquired by American citizens under the municipal régime of 1890 which had been established with the consent of the American Government. While this Legation does not anticipate that the position of American citizens will in practice be adversely affected by the reorganization of the municipal government of Alexandria, it is in entire agreement with the Department that it may well be regarded as one more attempt to undermine, by unilateral action, the capitulatory rights of foreign nationals.

The Legation has accordingly addressed a Note to the Egyptian Ministry of Foreign Affairs, No. 137 of May 22, 1935, of which a copy is attached, embodying the substance of some of the observations made by the Department in its instruction under acknowledgment.

Respectfully yours, BERT FISH

[Enclosure]

The American Legation to the Egyptian Ministry for Foreign Affairs

No. 137

The Legation of the United States of America presents its compliments to the Royal Ministry for Foreign Affairs and has the honor to refer to Decree-Law No. 1 of January 1, 1935, and to two Ministerial Orders dated January 2, 1935, regarding the reorganization of the Municipal Government of Alexandria, which were published in the *Journal Officiel* of January 3 and 4, 1935, respectively.

Under instructions from its Government the Legation of the United States has the honor to point out to the Royal Egyptian Government that the United States was one of the Powers which, in response to a circular Note from the Egyptian Ministry of Foreign Affairs dated May 16, 1889, assented to the Organic Decree establishing the Municipality of Alexandria. This assent was contained in Note No. 1136 of July 8, 1889, from the American Agency and Consulate General in Cairo.

From this Note it will be observed that the adherence of the United States was not limited to any particular article or articles, but applied to the full text of the Decree by which in 1890 the municipal régime of the City of Alexandria was established.

[25] Not printed.

The Government of the United States is of the opinion that inasmuch as the consent of the Powers had been requested and given in order to make the Decree in question applicable to capitulatory nationals, it follows that any material modification of the Decree without the previous consent of the participating Powers violates the condition on which capitulatory nationals were made subject to the authority conferred upon the Municipality of Alexandria by the Organic Decree, and consequently releases such Powers from their obligation to subject their nationals to the authority of said Municipality.

The Government of the United States therefore considers the unilateral action of the Egyptian Government in reorganizing the Municipality of Alexandria as likely to impair existing capitulatory rights of American interests in Egypt, and the Legation is instructed to reserve all rights of American nationals whose situation may in any way be affected by Decree-Law No. 1 of 1935 and the accompanying Ministerial Orders.

The American Legation avails itself of this opportunity to renew to the Ministry for Foreign Affairs the assurance of its highest consideration.

CAIRO, May 22, 1935.

883.101/8

The Secretary of State to the Minister in Egypt (Fish)

No. 108 WASHINGTON, July 12, 1935.

SIR: The receipt is acknowleged of your despatch No. 266 of May 23, 1935, transmitting a copy of a note which you addressed to the Egyptian Ministry of Foreign Affairs on May 22, 1935, concerning the recent reorganization of the Municipality of Alexandria. It is observed that in the penultimate paragraph of the note in question you stated that "the Government of the United States therefore considers the unilateral action of the Egyptian Government in reorganizing the Municipality of Alexandria as likely to impair existing capitulatory rights of American interests in Egypt". Inasmuch as the Department's instruction No. 84 of April 29, 1935, merely authorized you to enter a reservation of this Government's position the Department would not wish you to continue to press the view that the reorganization of the Alexandria Municipality is likely to impair existing capitulatory rights of American interests in Egypt.

Very truly yours, For the Secretary of State:
WILLIAM PHILLIPS

883.101/11

The Secretary of State to the Chargé in Egypt (Childs)

No. 198 WASHINGTON, November 3, 1936.

SIR: Reference is made to the Legation's despatch No. 710 of July 6, 1936,[26] requesting instructions as to the attitude to be adopted by the Consul General at Alexandria in connection with certain proposals presented by the British Consul General concerning the election of foreign members of the Municipal Council of Alexandria.

In view of the probable early termination of the Capitulations in Egypt, the Department is of the opinion that it would be inadvisable for the Consul General to discuss at this time any proposals for the appointment or election of members of the Municipal Council of Alexandria, particularly since the question of American representation on the Council during the active regime of the Capitulations is of restricted interest to this Government.

Very truly yours, For the Secretary of State:
R. WALTON MOORE

DECISION BY THE EGYPTIAN GOVERNMENT TO PARTICIPATE IN SANCTIONS AGAINST ITALY, WITHOUT REGARD TO ITALY'S CAPITULATORY PRIVILEGES IN EGYPT

765 84/1867 : Telegram

The Chargé in Egypt (Childs) to the Secretary of State

CAIRO, October 15, 1935—4 p.m.
[Received 6:30 p.m.]

72. In addition to the defense of Egypt against Italy, about which there is now fairly general confidence on the part of the British in Egypt, three questions incidental to the new international situation have preoccupied Residency recently, namely:

(1) Suez Canal; (2) possible application of sanctions by Egypt as a non-member of the League of Nations against Italy; and, (3) capitulations.

Considering that the closing of the Canal to Italy would be the most effective sanction that could be possibly taken by League it seems to be recognized that such a sanction, which could be enforced only by a naval blockade of approaches to the Canal, would almost inevitably lead to hostilities between Italy and those member states upon whom enforcement of the blockade would fall. Consequently without the anticipated support of France in such a blockade, Great Britain so far as can be seen here is extremely loath to undertake such a thing.

The British are also concerned regarding many complications likely

[26] Not printed.

to arise from the application of economic sanctions by Egypt which would be bound, in the opinion of their advisers, to result, in the administrative measures of their enforcement, in the infringement of the rights of the capitulary powers. It is reasoned that such an occasion might be easily taken advantage of by Italy to drive a wedge between Great Britain and French [*France*], it being held that the latter could claim that Great Britain, by its special position in Egypt, under the reserved points,[27] was alone responsible for the defense of Egypt against foreign aggression and for the protection of foreigners, and in the event Italy seized occasion to oppose by force of arms the application of sanctions by Egypt and the consequent violation of Italy's capitulary rights, France might consider the issue as solely concerning those countries. A principal concern of Great Britain regarding Egypt's colonies [*sic*] in the Italo-Abyssinian dispute appears here to be to avoid the raising of any issue which might separate Great Britain from France and the League. At the same time I learn this morning that quite serious consideration is being given to the application by Egypt of economic sanctions, particularly in the suspension of exports to Italy, but with a full realization of the many complications involved, some of which have been indicated above, the greatest prudence is expected to be shown therein.

So far, the younger British advisers in the Egyptian Ministries have succeeded in persuading the British Foreign Office of the extreme advisability of doing nothing which might in any way offend Egyptian national susceptibilities, as there is a very great desire to avoid the errors committed during the World War, antecedences dealing with Egypt, and to maintain the distinctly improved atmosphere of Anglo-Egyptian relations which is so noticeably apparent.

On the other hand the Egyptian Government is showing every disposition to accede to British desires in the matter of cooperation with Great Britain in applying sanctions against Italy.

CHILDS

765.84/2250 : Telegram

The Chargé in Egypt (Childs) to the Secretary of State

CAIRO, November 1, 1935—9 a.m.
[Received November 1—6 : 26 a.m.]

84. I have learned very confidentially that the contingency has been considered by the British of the possible unilateral denunciation of

[27] See British Cmd. 1592, Egypt No. 4 (1922), pp. 29–31, for Lord Allenby's declaration of February 28, 1922, recognizing Egypt's independence, but, pending the conclusion of agreements with Egypt, absolutely reserving to the discretion of His Majesty's Government the following matters: (*a*) Security of British Empire communications in Egypt; (*b*) defense of Egypt against foreign aggression; (*c*) protection of foreign interests and of minorities in Egypt; (*d*) the Sudan.

the capitulations by Egypt with British acquiescence. From informal conversations with Residency and British legal advisers in the Egyptian Government I understand that such action unlikely to be adopted out of a desire to avoid antagonizing France and in the belief that the time is inopportune in that Great Britain might be charged with having permitted Egypt to undertake a measure in the mutual interests of both countries at the expense of the interests of other countries including in particular the United States. Short of hostilities the British appear at present disinclined even to support the suspension of capitulations by Egypt. British advisers now believe that economic sanctions by Egypt may be applied without affecting the capitulary rights of powers other than Italy and they are endeavoring to find a means which will devolve [*sic*] least Italian capitulary rights while proving effective. Among the measures now being considered are the suspension of imports from Italy and the imposition of restrictions upon Italian vessels calling at Egyptian ports.

CHILDS

765.84/2653½ : Telegram

The Chargé in Egypt (Childs) to the Secretary of State

CAIRO, November 2, 1935—1 p.m.
[Received November 2—10 : 55 a.m.]

86. The form which economic sanctions by Egypt against Italy is to take is expected to be announced within a week or 10 days following the study now being made by a committee appointed for that purpose. I am informed confidentially that Great Britain has given the Egyptian Government assurances safeguarding the latter against being "annoyed" by Italy when economic sanctions are applied. It is possible that the sanctions to be applied by Egypt may extend within the framework of those proposed by the League further than was at first envisaged locally and may affect capitulary rights of powers other than Italy. In view of such a possible eventuality I think it wise to invite the Department's attention to the possible effect upon the capitulary rights of American citizens in Egypt of the announcement of the President warning American citizens that transactions engaged in with either of the belligerents is undertaken at their own risk. It appears to me that this announcement of both countries might justify the Department in authorizing American diplomatic and consular officers in Egypt to refrain from asserting capitulary rights on behalf of American citizens in Egypt engaging in trade with Italy or Ethiopia should such rights be temporarily called in question by the application on the part of Egypt of economic sanctions against Italy.

CHILDS

765.84/2277 : Telegram

The Chargé in Egypt (Childs) to the Secretary of State

CAIRO, November 3, 1935—noon.
[Received November 3—10 : 10 a.m.]

87. In a statement published last evening the Egyptian Government announced its adherence "to the principle of the application of financial and economic sanctions decreed by the League of Nations. Regarding the application of this principle, either to Italian exports to Egypt or Egyptian exports to Italy, the Council of Ministers considered it necessary to appoint a ministerial committee" which it was stated "will present a report on the application of this principle in so far as it is possible."

The Egyptian authorities are disposed to go farther in the employment of economic sanctions than British authorities deem it advisable on account of the complication referred to in my previous telegrams on the subject as the Egyptians are quite willing to answer that upon the capitulations. British counsels along the lines of the general policy outlined in my telegram No. 84, November 1, 9 a.m., however are expected to prevail.

CHILDS

765.84/2296 : Telegram

The Chargé in Egypt (Childs) to the Secretary of State

CAIRO, November 4, 1935—11 a.m.
[Received November 4—9 a.m.]

88. In a long discussion this morning entitled "Egypt and sanctions" obviously derived from British official sources, the *Egyptian Gazette* and the *Arabic Press* generally state: "The interests in this country among the capitulary powers of several nations, such as the United States of America et cetera, which are not members of the League of Nations and have not decided to apply sanctions, makes the Egyptian Government's task exceedingly difficult. To exact such legislation as would effectively place a ban upon the exports of cotton, say to Italy, the Egyptian Government would have to obtain the consent of at least the General Assembly of the Mixed Court and probably of the capitulary powers as a whole. There seems very little [hope?] of such consent being obtained as the non-League powers and also the non-sanction League members would hardly agree. And if it should be possible—and we are not sure that it is—to legislate in this connection solely for the League powers represented in Egypt, it would be the easiest matter for the other powers to act if they chose as intermediaries for the export of Egyptian products to Italy."

I presume the Department has given consideration to the suggestion made in my telegram No. 86, November 2, in view of the lead given by the United States and the very great moral effect upon world-wide public opinion, including that in Egypt, of the proclamation of the President and the pronouncements of the President concerning the embargo on arms and trading with the two belligerents, it has occurred to me that a statement in the sense of the suggestion made in my telegram above mentioned might be conformable with the general policy pursued hitherto. I do not believe that American commercial interests in Egypt would take it amiss and it would have the definite advantage of preventing our being made a scapegoat in the event Great Britain should seek even by indirection to throw on us part of the onus for the limited cooperation of Egypt with the League. The principal objection which I can see to such a course would be that hitherto the capitulary powers have generally taken counsel among themselves regarding the common attitude to be taken with the Egyptian Government towards all proposals affecting the capitulations.

CHILDS

765.84/2653½

Memorandum by the Chief of the Division of Near Eastern Affairs (Murray) to the Secretary of State

[WASHINGTON,] November 4, 1935.

The attached two telegrams, 86 of November 2, 1 p.m. and 87 of November 3, noon, from Cairo, reporting Egypt's intention to participate in League sanctions against Italy, raise a very complicated question affecting our rights in Egypt under the Capitulations and requiring a decision from us in the near future.

Egypt is not a member of the League of Nations and hence is not in a position to invoke League authority for the imposition of sanctions against Italy.

Furthermore, under the Capitulations still in force in Egypt foreigners in Egypt of European or American nationality enjoy, with a few negligible exceptions, exemption from Egyptian law and jurisdiction in certain important respects and Egypt would consequently appear to be without authority under a strict interpretation of the Capitulations to embark upon a system of sanctions against Italy, one of the principal capitulatory powers, unless steps are taken by the Egyptian Government under the guidance of the British Government designed to overcome this obstacle.

Consideration was apparently given some time ago to the possibility of "abolishing" Italian capitulatory rights in Egypt in order to meet the situation. That the Italians feared such a step is clear from a

conversation which took place on October 22 between the Italian Ambassador and Mr. Phillips.[28]

It would now appear, however, from Mr. Childs' attached telegram No. 86 of November 2, that the decision of the Egyptian Government to cooperate with the League in the imposition of sanctions against Italy may also affect the capitulatory rights in Egypt of other Powers, including the United States. If this proves to be the case we shall, in the light of all the circumstances, have to decide whether or not it is in the interest of this Government to insist upon the full exercise of our capitulatory rights in Egypt.

To put the matter concretely, we shall probably have to make a decision under the following possible circumstances: We know that General Motors has already made large shipments of automotive products to Italian East Africa and may possibly be tempted to continue this lucrative trade which has been carried on through Egypt. If Egypt cooperates with the League in the imposition of sanctions affecting exports to Italy or her colonies and consequently endeavors to prevent shipment by American agents of automotive products to East Africa, those agents could, under capitulatory practice, insist that the American Legation in Cairo take the necessary steps with the Egyptian Government in order to stop its interference with the capitulatory rights of American nationals. Mr. Childs expresses the opinion that, in view of the President's warning to American citizens about business transactions with the belligerents, the Department might be justified in authorizing American diplomatic and consular officers in Egypt to refrain from asserting capitulatory rights on behalf of American citizens in Egypt engaged in trade with Italy or Ethiopia should such rights be temporarily affected by Egypt's application of economic sanctions against Italy.

We are conferring with the Legal Adviser's Office on this phase of the matter and shall be prepared shortly to submit recommendations to you in the premises.

WALLACE MURRAY

765.84/2343 : Telegram

The Chargé in Egypt (Childs) to the Secretary of State

CAIRO, November 5, 1935—3 p.m.
[Received November 5—1 : 50 p.m.]

90. In an informal conversation this morning with Booth, British Judicial Advisor to Egypt, he stated that both he and the British Government were now tending to revise the opinion hitherto held that the prohibition of either imports from or exports to Italy killed the

[28] See memorandum by the Under Secretary of State, p. 850.

capitulations. He expressed the view that beginning with the French Capitulary Treaty with Turkey of 1740 [29] there was an expressed right of Turkey, and consequently Egypt now has the right, to prohibit exports while the right to prohibit imports seemed to him more clearly established juridically. If that view were adopted he said there would be only involved the violation by Egypt of the most favored nation clause with Italy. It was the view of the British Government, and he shared it, that in the preamble to legislation prohibiting imports from and certain exports to Italy there should be invoked the high moral obligation of Egypt to associate itself with League sanctions under present circumstances as well as its obligations as a signatory of the Kellogg Pact. The question of firmer sanctions he regarded as far more difficult and perhaps even impossible of realization by Egypt owing to the capitulations. He added that there remained to be worked out with the Egyptian Government the character and degree of mutual assistance to be accorded by Great Britain upon the application of the sanctions. From other reliable British sources I learn that the protest of the Italian Minister as reported in my telegram No. 89, November 4, 6 P. M.[30] was anticipated but will not deter Egypt from the course announced by the Prime Minister. Booth states that the decision of the Egyptian Government regarding the character of sanctions will most probably be made before November 18th.

CHILDS

765 84/2296 : Telegram

The Acting Secretary of State to the Minister in Egypt (Fish)

WASHINGTON, November 7, 1935—1 p.m.

46. Your 88, November 4, 11 a.m. For your strictly confidential information. In view of the policy enunciated in the President's statement of October 5, 1935,[31] the Department is inclined to believe that your mission and the consular offices in Egypt might as a general rule be justified in refraining from intervening on behalf of American nationals who encounter difficulties in Egypt by engaging in trade with Italy or Ethiopia, provided the Egyptian Government does not attempt to invade the rights of such nationals with respect to their immunity from Egyptian jurisdiction. Before adopting any final

[29] François E. G. Saint Priest, *Mémoires sur l'ambassade de France en Turquie et le commerce des Français dans le Levant*, p. 475.

[30] Not printed.

[31] See telegram No. 11 from the Secretary of State to President Roosevelt, October 5, p. 798; the President's reply October 5, p. 800; and telegram to President Roosevelt, October 6, p. 801.

attitude in the matter, however, the Department considers it essential to ascertain definitely the form which economic sanctions by Egypt may take and the extent to which they may interfere with American capitulatory rights.

PHILLIPS

765.84/2700

Memorandum by the Under Secretary of State (Phillips)

[WASHINGTON,] November 11, 1935.

During his call this afternoon the Italian Ambassador referred to the situation in Egypt, which he regarded as serious, and as indicating the intense pressure which the British Government were exercising upon Italy. He reminded me that Egypt was not a member of the League and yet in spite of this fact the Government of Egypt had adopted sanctions against Italy and had done so because of the pressure of the British on the Egyptian Government. He added that Egypt had no foundation juridically for this action, which was of importance to other countries who exercise extraterritorial rights in the country. The Ambassador stressed the point that the British influence on Egypt in this case was significant and exceedingly important from the Italian viewpoint.

WILLIAM PHILLIPS

765.84/2470 : Telegram

The Chargé in Egypt (Childs) to the Secretary of State

CAIRO, November 11, 1935—5 p.m.
[Received November 11—1 : 25 p.m.]

93. In accordance with the instructions of his Government, Italian Minister yesterday made a verbal protest [32] against the decision of the Egyptian Government in principle to apply sanctions against Italy. Italian Minister is reported to have stated by an official announcement of the Government of Egypt that the Italian Government reserved the right to take any action which might be deemed necessary against Egypt in the event of the violation of the latter's international engagements with Italy.

Repeated to American Embassy at Rome.

CHILDS

[32] In despatch No. 424, of November 19, the Chargé corrected this statement and reported that the Italian protest was communicated by written note (765.84/3028).

765.84/2534 : Telegram

The Chargé in Egypt (Childs) to the Secretary of State

CAIRO, November 14, 1935—11 a.m.
[Received November 14—7:20 a.m.]

95. Department's telegram, No. 46, November 7, 1 p. m. Booth informs me that the Egyptian Government has accepted the point of view regarding sanctions which was outlined in my telegram No. 90. The decree is not expected to be published before November 20th as the opinion of the British Government is being awaited regarding the preamble. The decree is expected to provide for the suspension of all imports from Italy and those exports to Italy included within the League sanctions. Even if the consent of all capitulary powers participating in sanctions and the United States could be obtained Booth considers financial sanctions impracticable because of Italy and the possibility that the Mixed Courts might sustain damages for their violation. A decree of the French Government has been published here extending jurisdiction of the French sanctions to French nationals in Egypt. Booth considers the action ill-advised and does not anticipate similar action by the British Government as it makes impossible financial transactions from which other nationals cannot be prevented.

CHILDS

765.84/2799 : Telegram

The Minister in Egypt (Fish) to the Secretary of State

CAIRO, November 29, 1935—3 p.m.
[Received November 29—2:05 p.m.]

103. By decree signed yesterday and to enter into effect upon its publication, probably tomorrow,[84] the Egyptian Government is applying integrally the sanctions provided in proposals 1, 3 and 4 adopted by the Coordination Committee of the League at its first session. The declaration provides that amendments to the lists of prohibited war materials and of exports to Italy, as well as the right to admit certain goods of Italian origin may be made after approval by the Council of Ministers. Transit through Egypt of Italian products is not prohibited. Any goods imported or exported which fall within the terms of the decree will be considered contraband and will come under article 33 et seq. of the Egyptian customs regulations. The original intention to justify the infringement of Italian treaty and other rights in Egypt in the preamble has been abandoned. Instead

[84] The decree was published December 2.

a statement of the Prime Minister has been annexed to the decree referring to the invitation extended by the League to Egypt to participate in the sanctions and stating that the present decision is based on Egypt's duty towards peace and the Kellogg Pact to which it is signatory. The Prime Minister added that all agreements with Italy not consistent with sanctions will be suspended, particularly the commercial agreement.

FISH

ETHIOPIA

ETHIOPIAN-ITALIAN CONFLICT[1]

I. Efforts by the League of Nations and by France and the United Kingdom for a peaceful settlement of the dispute between Ethiopia and Italy, January–September, 1935

765.84/116 : Telegram (part air)

The Consul at Geneva (Gilbert) to the Secretary of State

GENEVA, January 11, 1935—6 p.m.
[Received January 12—3 : 40 p.m.]

8. 1. In private Council meeting today Secretary-General presented a communication from the Abyssinian Government to the effect that it was not requesting that their dispute with Italy be placed on the Council agenda but that the right was reserved to do so in this or in a subsequent Council.

2. The situation here is characterized by a marked general absence of knowledge of the substance of the dispute or of the justice of the contentions of the two parties together with the feeling that it is involved with political understandings between the great powers. The attitude of the Secretariat Political Section has been to discount the Abyssinian claims, expressing the view that the question should not be brought before the League. The representatives of the small powers deprecate such tendencies, stating that the recent assumption of League control by the great powers should not result in any hindrance to small states being heard.

Nothing definite emerges from the private political consultations obviously in progress here but the trend appears to be that Italy is most anxious to keep the question out of the Council and that the British are endeavoring to arrange a compromise to determine the boundary. There is a distrust of action sponsored by the powers as having the aim of creating a delay and thus permitting Italy to consolidate her African position. The members of the Political Section tell me, however, that there is fear that Italian recalcitrance which they state is based on questions of prestige with reminiscences of Italy's defeat in 1896[2] may create a dangerous situation as they understand that there are at present about 20,000 Abyssinian troops massed on the border against about 4,000 Italian native troops.

GILBERT

[1] Continued from *Foreign Relations*, 1934, vol. II, pp. 754–775.
[2] At the battle of Adua, March 1, 1896, an Italian army was annihilated by the Abyssinians.

765.84/119 : Telegram

The Chargé in Italy (Kirk) to the Secretary of State

ROME, January 15, 1935—noon.
[Received January 15—9 : 30 a.m.]

19. My 14, January 11, 4 p.m.[3] In a conversation with Suvich[4] yesterday evening he confirm the attitude of the Italian Government in that it opposed the submission to the League of the Ualual incident on the ground that the facts as ascertained prove that the Abyssinians were the aggressors and that the attack was clearly unjustifiable. Suvich said that the Italian Government in demanding directly apologies and reparations was not influenced by any considerations of prestige but felt that if these demands were not insisted upon incidents of this nature would multiply and there could be no basis of tranquility in the relations between Ethiopia and Italy. He added that he hoped that the Abyssinian Government could be persuaded to meet the Italian demands but that if direct negotiations failed the matter might have to be submitted to the League. Suvich intimated that in that event he believed that a recognition of the merits of the case as well as considerations of policy in dealing with a government as "backward" as that of Abyssinia would result in an indefinite postponement of any action on the matter by the League Council.

Repeated to Geneva.

KIRK

765.84/123 . Telegram (part air)

The Consul at Geneva (Gilbert) to the Secretary of State

GENEVA, January 15, 1935—4 p.m.
[Received January 16—3 : 45 p.m.]

19. Consulate's 8, January 11, 6 p. m., third paragraph. I have now ascertained from a strictly confidential and thoroughly informed source that Geneva developments in the Italian-Abyssinian dispute have to date been as follows:

(1) The Abyssinian delegate arrived in Geneva with the intention of placing the question before the Council but deferred this action pending discussing the matter with the British and the French to learn if possible their general position and to solicit their support should he invoke Council consideration.

[3] Not printed.
[4] Fulvio Suvich, Italian Under Secretary of State for Foreign Affairs.

(2) The British and the French advised him not to appeal to the Council and the British offered to undertake a direct settlement with Italy.

(3) The British submitted a formula through their missions at Rome and Addis Ababa giving copy to Abyssinian delegate to the effect (*a*) that the Abyssinian Government should express to Italy their "regret for the incident" and pay an indemnity for Italian losses and, (*b*) that a commission be set up to determine the moot points respecting the boundary.

Although the British are acting alone in this it is understood that they are conferring with the French.

(4) The first part of this formula was unacceptable to the Abyssinian delegate who suggested a tentative counter formula calling for mutual regrets and mutual indemnities together with a boundary commission. He feels that in this he has gone much more than half way.

He has transmitted his formula to his Government asking for instructions.

(5) The Abyssinian delegate has handed a statement of the Abyssinian case together with documents which he would employ in a Council consideration to the British and informally to the Secretary-General.

Competent opinion is that this case as based on existing treaties is exceedingly strong.

(6) The present situation is that the Abyssinians are considering whether or not to appeal to the Council. They hesitate to reject the British formula thus substituting British good offices for Council action fearing that this would mean definite lack of British and French support in the Council and perhaps opposition. It is also believed that the Italians would not accept the boundary commission feature of either formula inasmuch as juridical opinion indicates that an impartial determination on the basis of existing treaties would find that the Italians had acted inside the Abyssinian frontier and that it would technically disprove pertinent Italian contentions. The Abyssinians are considering whether they can gain the support of other [*sic*] and Council action having in mind chiefly Russia, Spain and perhaps Czechoslovakia and counting upon a public exposure of the situation to check covert political pressure.

(7) I have sound reasons for believing that the diplomatic moves as described in the foregoing are correct. The contentions as to the substance of the dispute originate however solely from Abyssinian sources.

GILBERT

765.84/120 : Telegram

The Consul at Geneva (Gilbert) to the Secretary of State

GENEVA, January 16, 1935—10 a.m.
[Received January 16—6:09 a.m.]

21. Consulate's 19, January 15, 4 p.m. Late last evening Abyssinian delegate handed to the Secretary General an appeal to the Council [5] under article XI, paragraph 2, of the Covenant.

GILBERT

765.84/122 : Telegram

The Chargé in Italy (Kirk) to the Secretary of State

ROME, January 16, 1935—6 p.m.
[Received January 16—2 p.m.]

23. Council of Ministers yesterday approved a provision placing Eritrea and Italian Somaliland under a high commissioner for the Colonies of East Africa. An official communiqué published today states that the Minister of Colonies, General de Bono, has resigned in order to take over the post and that the King has appointed Mussolini Minister of Colonies. General de Bono has already left for the Colonies and it is stated that in addition to general administration matters affecting the two colonies he will occupy himself during the present mission with the relations between Italy and Abyssinia.

KIRK

765.84/127 : Telegram (part air)

The Consul at Geneva (Gilbert) to the Secretary of State

GENEVA, January 17, 1935—4 p.m.
[Received January 19—6:30]

24. Consulate's 21, January 16, 10 a.m.

1. The Italians are making every effort to have the Abyssinians withdraw their invocation of the Covenant. Avenol [6] stated to the Abyssinian delegate that the Italians had informed him that they would regard a bringing of the matter before the Council while direct negotiations were in progress as prejudicial to a friendly settlement.

2. The Abyssinians do not consider that the present direct conversations constitute negotiations in any acceptable sense and are standing upon their appeal. In this they are acting under instructions.

GILBERT

[5] See League of Nations, *Official Journal*, February 1935, pp. 252–258.
[6] Joseph L. A. Avenol, Secretary General of the League of Nations.

765.84/141

The Chargé in Italy (Kirk) to the Secretary of State

[Extract]

No. 911 ROME, January 18, 1935.
[Received January 30.]

SIR:

.

In conclusion, I have the honor to report that there are indications that the British Ambassador here has been very active in endeavoring to effect a compromise between the Italian and Abyssinian points of view. In British circles here it is felt that despite the Abyssinian request for a discussion of the Walwal incident during the present session of the League of Nations Council, a settlement of the question will be reached before such discussion takes place. It appears that of the three demands made by the Italians (namely, that an apology on the part of Abyssinia be published in an official communiqué, that a cash indemnity be deposited in a bank in Eritrea to be distributed among the sufferers of the December 5th incident, and that the Abyssinians salute the Italian flag), the first two are more or less acceptable to the Abyssinians, so that at the moment the efforts of the British are being directed toward a settlement of the last question.

Respectfully yours, ALEXANDER KIRK

765.84/129: Telegram (part air)

The Consul at Geneva (Gilbert) to the Secretary of State

GENEVA, January 19, 1935—9 p.m.
[Received January 22—7:47 a.m.]

28. I learn that following considerable pressure on the Italians by the British and the French an arrangement was reached in the Italian-Abyssinian affair whereby both sides communicated to the League letters stating that moved by spirit of conciliation they were prepared to seek a settlement in conformity with the "spirit" of the Italo-Abyssinian Treaty of Friendship of 1928 [7] and with article 5 of that treaty and that they engaged themselves to take steps to avoid further incidents.

[7] Treaty signed August 2, 1928, League of Nations Treaty Series, vol. XCIV, p. 419; by article 5, "Both Governments undertake to submit to a procedure of conciliation and arbitration disputes which may arise between them and which it may not have been possible to settle by ordinary diplomatic methods"

The Council in private session this afternoon took note of these letters and decided to postpone discussion of Abyssinia's appeal until its next session.[8]

I understand that negotiations are to begin immediately with a view to setting up of a body of conciliation or arbitration under article 5 of the above mentioned treaty.

GILBERT

765.84/161 : Telegram

The Ambassador in Italy (Long) to the Secretary of State

[Extract]

ROME, February 14, 1935—7 p.m.
[Received February 14—3:40 p.m.]

72. My 69, February 13, noon.[9] Recent information all points to a more general preparation for an extensive campaign in Abyssinia than was indicated by the announcements of the Italian Government. Military forces and supplies are being moved clandestinely. Every effort is being made to prevent information of the size or general nature of the shipments. Troops called are kept in barracks and denied freedom. Movements are by night.

I am today advised by a person I believe well informed that 30,000 troops have left the port of Naples; that the movement now under way contemplates between 200,000 and 300,000 troops being used in Ethiopia; and that the troops who are now or who have been recently in Tripoli and thus have had tropical experience are being transferred to the Ethiopian front and are being replaced by forces from Italy.

.

LONG

765.84/173 : Telegram

The Chargé in Ethiopia (George) to the Secretary of State

ADDIS ABABA, February 25, 1935—noon.
[Received 12:50 p.m.]

20. My telegram No. 19.[9] Emperor informs me direct negotiations hopeless. Will renew appeal to Geneva.

GEORGE

[8] See also League of Nations, *Official Journal*, February 1935, pp. 162–163.
[9] Not printed.

765.84/207 : Telegram

The Chargé in Ethiopia (George) to the Secretary of State

ADDIS ABABA, March 18, 1935—10 a.m.
[Received March 18—9 : 30 a.m.]

26. My telegram No. 25.[11] Ethiopian delegation Paris instructed to appeal to Geneva under clause 15 of Pact.[12] Ethiopian chiefs are joining their troops.

GEORGE

765.84/311 : Telegram (part air)

The Consul at Geneva (Gilbert) to the Secretary of State

GENEVA, May 14, 1935—6 p.m.
[Received May 16—8 : 20 a.m.]

174. Consulate's 138, April 15, 7 p.m.[11] Abyssinian Minister to France[13] has addressed a note to the Secretary General dated May 11 in which he requests him to advise the Council of the serious situation being created by mobilization in Italy and by the despatch of more troops to Eritrea and Somaliland. Recalling the conciliatory views expressed by both powers before the Council in January and April of this year he states that Italy has not taken the "smallest step" in the direction of arbitration. He accuses Italy of approaching certain foreign governments some of whose nationals were likely to be selected as arbitrators by the Ethiopian Government and of requesting them to deter their nationals from accepting such appointments. Reference is likewise made to a communication from the Italian Minister at Addis Ababa inviting the Ethiopian Government to choose arbitrators of Ethiopian nationality. He urges the Council to endeavor in accordance with article 15 of the Covenant to bring about a settlement of the dispute.

GILBERT

765.84/299 : Telegram

The Ambassador in Italy (Long) to the Secretary of State

ROME, May 15, 1935—9 a.m.
[Received May 15—6 : 40 a.m.]

265. My 262, May 13, 6 p. m.[11] Following is summary of published text of speech delivered by Mussolini in Senate yesterday evening:

[11] Not printed.
[12] Article 15 of the Covenant of the League of Nations, *Treaties, Conventions, etc. Between the United States of America and Other Powers*, 1910–1923 (Washington, Government Printing Office, 1923), vol. III, p. 3336.
[13] Teclé Hawariate.

No diplomatic representations have been made by the French and British Governments to the Italian Government as rumored abroad nor is it at all likely that they will do so in view of the cordial relations of the three Governments. As to the possible weakening of Italy's military efficiency in Europe through a possible conflict in Africa, mentioned in foreign newspapers, "We may reply to these most solicitous and disinterested advisers who consider our presence in Europe indispensable that we are of the same identical opinion; but it is precisely in order to be fully prepared in Europe that we intend to protect ourselves from the rear in Africa". In view of the distance between Rome and the African colonies it is the government's duty to be prepared in time. As a matter of fact so far more laborers have been sent to Africa than soldiers; however "We will send all the troops we believe necessary and no one may arrogate to himself the intolerable right to demand an account of whatever concerns the character and extent of our precautionary measures". Italy alone is competent to judge in this matter in which she had already had a bitter lesson in the past. "I am willing to be accused tomorrow of excess but never of deficiency when the security of our colonies and the life of a single one of our metropolitan or native soldiers are at stake."

Mussolini stated that as to diplomatic procedure for conciliation, the Government had agreed to discuss matters with the Abyssinian Government and had some time ago informed the latter of its readiness to appoint the two Italian members of the commission. However, the Government could not entertain, much less spread, false hopes in view of Abyssinian armaments, advanced preparations for mobilization, and the spirit predominating especially minor chieftains who opposed any agreement with Italy.

As to any immediate deplorable contingency which might arise in Europe, he stated that Italy would hold in readiness for as long as might be necessary the classes of 1911, 13 and 14 and the class of 1912 in reserve and that he believed a total of eight to nine hundred thousand sufficient to guarantee Italy's security especially when this force was perfectly organized of high morale and equipped with increasingly modern armed military by the Italian war industry which had been working at full capacity for some months.

"Backed by this mass of land, sea and air forces we shall continue to pursue a policy of willing, clear cut, and concrete collaboration with all European powers great and small, far and near, for the purpose of achieving those balances and those understandings without which the world and our continent will be cut adrift. Our military establishment to which we are devoting and will devote our most vigilant attention threatens no one but guarantees peace." Announcement is made of the appointment of Count Luigi Aldrovandi, Ambassador, and

Raffaele Montagna, Counselor of State, as the two Italian members of the commission of conciliation under article 5 of the treaty of 1928.

LONG

765.84/350

Memorandum by the Chief of the Division of Near Eastern Affairs (Murray)

[WASHINGTON,] May 18, 1935.

The Italian Ambassador called me by telephone this morning to inquire whether the Department had issued the statement contained in the *New York Times* of today, May 18, 1935, to the effect that "the selection of Pitman Benjamin Potter as one of Abyssinia's conciliators in the dispute with Italy was made without consultation with the United States Government".

I informed the Ambassador that the Department had made no official statement in the above sense, but that the facts were correct.

The above quoted news item from the *New York Times* probably results from an inquiry made of me yesterday by Mr. Hulen of the *New York Times* as to whether the Department had been consulted in this matter. I told him that we had not been consulted but that no statement to that effect should be attributed to the Department without the consent of the Secretary or the Under Secretary.

WALLACE MURRAY

765.84/321 : Telegram

The Consul at Geneva (Gilbert) to the Secretary of State

GENEVA, May 20, 1935—10 p.m.
[Received May 20—8 p.m.]

194. The President of the Council has received direct from the Emperor of Ethiopia a telegram containing a message which he requests the President to read at the present session of the Council. The message reviews previous statements of his country's case and after pointing out that Italy has appointed two of her own officials as arbitrators and has restricted the questions under arbitration so as to exclude any interpretation of the treaty of 1908,[16] it states that "no agreement has been, is or will be possible by diplomatic means to arrange for a genuine impartial examination in Italy's present state of mind". The message concludes by asking the Council to stop Italy's military preparations and to "decide that unless Italy agrees that the arbitrators should interpret the treaty of May 16, 1908, and pronounce

[16] Abyssinian–Italian Convention signed May 16, 1908, *British and Foreign State Papers*, vol. CI, p. 1000.

on all the incidents that have occurred since November 23 last in the vicinity of the Somali-Ethiopian frontier, it will take up the dispute itself and make a full inquiry and examination on the basis of article No. XV of the Covenant."

GILBERT

765.84/333 : Telegram

The Consul at Geneva (Gilbert) to the Secretary of State

GENEVA, May 25, 1935—11 a.m.
[Received 1 : 45 p.m.]

201. (*a*) In a meeting called at 1 o'clock this morning to consider the Italian-Abyssinian dispute the Council adopted unanimously and simultaneously two resolutions of which the following are the texts.[17]

Resolution No. 1.

"(1) Whereas at the meeting of the Council in January 1935 the Italian Government and the Ethiopian Government agreed to settle the dispute which has arisen between them as the result of the incident at Walwal on December 5, 1934, in conformity with article 5 of the Italo-Ethiopian Treaty of August 2, 1928;

"(2) Whereas direct negotiations through diplomatic channels having been exhausted the two parties have nominated their arbitrators as provided for in article 5 of the above-mentioned treaty;

"(3) Whereas since December 5, 1934 other incidents have taken place on the Italo-Ethiopian frontier and the two Governments are in agreement in entrusting the settlement of these incidents to the same arbitrators in accordance with article 5 of the Italo-Ethiopian Treaty;

"(4) Whereas the Italian Government in view of the request which has been made to it makes no objection regarding the nationality of the arbitrators nominated by the Ethiopian Government;

"(5) Whereas the two Governments agree to fix August 25th next as the date on which the procedure of conciliation and arbitration shall be concluded:

"The Council,

"Requests the Secretary General of the League of Nations to communicate in the meantime to the members of the Council all information which may reach him from the two parties in particular regarding the development of the arbitrators' work."

Resolution No. 2

"The Council,

"Leaving to the two parties full liberty to settle the dispute in question in accordance with article 5 of the Italo-Ethiopian Treaty of August 2, 1928,

"Decides to meet if, in default of agreement between the four arbitrators for the settlement of the dispute, an understanding shall not have been reached by July 25th between these arbitrators as to the selection of the fifth arbitrator (unless the four arbitrators agree to

[17] See League of Nations, *Official Journal*, June 1935, p. 640.

the extension of this period); the Council also decides to meet to examine the situation if on August 25th the settlement by means of conciliation and arbitration should not have taken place."

(*b*) The representative of Abyssinia, Jèze,[18] stated that before the Council reached a decision on the resolutions he desired to make clear the meaning on certain points which the Abyssinian Government attaches thereto and to ask the Italian delegate to express his agreement. (1) All of the unsettled incidents that had occurred on the Italo-Abyssinian frontier would be submitted to the arbitrators who would take into consideration all circumstances of a nature to influence a solution of the dispute including the interpretation of treaties relating to frontiers. (2) Determination of the frontier would follow immediately upon the decision of the arbitrators. (3) Throughout the whole of the arbitral procedure and the examination if any by the Council the two powers would respect the undertakings in articles 2 and 5 of the 1928 Treaty. Under article 2 both powers agreed not to take any action calculated to prejudice the independence of the other and consequently Italy would refrain from increasing her forces in East Africa and from preparing for aggression against Abyssinia with the troops already there. (4) The Council although leaving the Governments full liberty to settle the dispute under article 5 would not abandon its interest in the dispute or in the development of the arbitral procedure.

(*c*) Aloisi[18a] in his reply reiterated the position taken by Italy throughout in regard to the procedures of direct negotiation and conciliation under the Treaty of 1928.

Regarding the Commission's power to interpret the Treaty of 1908 he observed that even if Walwal were ultimately assigned to Abyssinia the fact of the Abyssinian aggression there would retain all its gravity. The treaty of 1908 laid down the procedure for the delimitation of the frontier. Italy was prepared to resume the delimitation as soon as the dispute in course was settled but it could not agree to any other procedure than that laid down in the treaty. For reasons of prestige it could not agree forthwith to the resumption of the delimitation.

The Italian Government under the circumstances had naturally placed its colonies in a state of defense but the unprecedented publicity with which it had accompanied the measures taken showed the nature of its intentions. In any case Italy could not admit that measures for the legitimate defense of its territory should constitute the subject of remarks from any quarter whatsoever.

He stated that "when a dispute is in the regular course submitted to a procedure of arbitration . . . the Council is not called upon to

[18] Gaston Jèze, French legal counsel of the Abyssinian Government; professor of law at the University of Paris.

[18a] Baron Pompeo Aloisi, chief Italian delegate to the League of Nations.

take any initiative". Maneuvers devised to alarm or misdirect opinion might disturb the course of procedure and make the dispute worse than it is.

After these general observations Aloisi concluded as follows:

"Now, to reply to the questions that were put to me by the representative of Ethiopia, I would say, in the first place, that the Italian Government does not in any way intend to limit the duty entrusted to the arbitrators in accordance with the provisions of the 1928 Treaty, but it cannot in any case agree that their consideration should be directed to questions of frontier delimitation. On this point we agree.

In the second place, no authority would desire in any way to prejudice the exercise of its sovereignty by our Government. By accepting the arbitration procedure we have shown our anxiety to respect the undertakings entered into by both Governments. My reply will therefore be perfectly clear. If my Government accepts the procedure of conciliation and arbitration, it is because it intends to conform thereto".

(*d*) The Abyssinian representative then remarked that he interpreted the Italian statement as agreeing that while the frontier delimitation must be in accordance with the treaty the arbitrators were free to take into account all circumstances affecting the dispute and in particular the treaties respecting the frontiers from that point of view.

(*e*) Aloisi repeated that Italy was not restricting in any way the liberty of the arbitrators except with respect to the delimitation of the frontiers.

(*f*) A member of the British delegation has informed me that the unusual procedure of passing simultaneously two separate resolutions was adopted at the request of Aloisi in order that the Italian Government in informing the press might concentrate emphasis on the first resolution.

GILBERT

765.84/339 : Telegram

The Ambassador in Italy (Long) to the Secretary of State

ROME, May 29, 1935—11 a.m.
[Received May 29—9 : 15 a.m.]

279. My telegram No. 277, May 25, 8 p.m.[19] In the course of a conversation with Suvich yesterday he touched upon Abyssinia and said that the situation in Europe was so uncertain that Italy felt it must do something to liquidate the difficulties with which it was confronted in Abyssinia. Suvich felt that the League of Nations had been quite fair in its decisions last week with regard to Abyssinia

[19] Not printed.

and that there was a possibility of coming to some understanding in the future. He said that Italy would be pleased if she could connect her two East African colonies and would also be pleased if the League of Nations should see fit to offer to Italy a mandate over Abyssinia and that this would be the best thing for Abyssinia which could then develop under the guidance of Italy. He thought that for this as well as for the measures which Italy was taking in Abyssinia there were many precedents. He said that Italy could not afford to withdraw her troops but that on the contrary it would be necessary to send more. Abyssinia, he said, had been arming and had been supplied with Belgian and Swedish instructors. Although the Abyssinian army was not very well drilled nor perfectly equipped he said that it was sufficiently equipped so that Italy could not afford to leave a small number of soldiers to defend its colonies against constant Abyssinian threats. In reply to my question as to whether it would be possible for Italy to direct the affairs of Abyssinia without the possession of Addis Ababa, he admitted that from a strategic point of view it would be necessary to have Addis Ababa under Italian control under a mandate or otherwise.

I asked Suvich if it were possible that England in return for Italy's renunciation of her Abyssinian ambitions might be willing to make territorial concessions to Italy. He replied that the matter had not been discussed but I drew the definite inference from the manner of his reply that although there may have been no official discussion the matter had been broached.

Italy's irritation with England's intervention in the Abyssinian matter is being reflected in a series of anti-British newspaper articles.

LONG

765 84/379

The Consul at Geneva (Gilbert) to the Secretary of State

[Extract]

No. 1287 Political

GENEVA, June 6, 1935.
[Received June 14.]

SIR: I have the honor to report that Professor Pitman Benjamin Potter, American national, who has been named by Abyssinia as a member of the Commission of Arbitration set up under the Italo-Abyssinian Treaty of August 2, 1928, called on me yesterday in my office. As the Department is aware, the Commission is composed of Professor G. de la Pradelle (French) and Professor Pitman Benjamin Potter (American) named by Abyssinia, and Count Luigi Aldrovandi Marescotti and Signor Raffaele Montagna (both Italian) named by Italy.

Professor Potter told me that he had come to see me inasmuch as he was about to leave for Milan where the first meeting of the Commission had been scheduled to take place today. Professor Potter was naturally not able to forecast what might transpire during the meeting of the Commission or what its ultimate determinations might be. Certain observations which he made may, however, be of interest.

(*a*) It seems that growing out of correspondence between Aldrovandi and de la Pradelle a compromise was reached whereby the Italian members designated the place of the first meeting of the Commission and Abyssinia the date. It thus was arranged to meet at Milan on June 6.

(*b*) Professor Potter believes that the first meeting will confine itself (1) to the formulation of a schedule respecting the place and dates of future meetings; (2) to an agreement on the mode of procedure of the Commission, i. e. whether negotiations will be oral or carried on by means of the presentation of written "briefs" and "counterbriefs".

(*c*) It would be presumed that this preliminary meeting would likewise determine in principle at least the scope of the discussions which the Commission will undertake. Professor Potter is of the opinion, however, that the terms of reference under which the Commission is to act are nebulous and that the question of the determining of the scope of its action, in other words its competence, would at the outset present grave obstacles to an agreement.

The other of Professor Potter's observations went more into the substance of the matter. With reference thereto, I beg to call attention to the pertinent portions of the Consulate's despatch No. 1283 Political of June 5, 1935.[20]

(*d*) He feels that the terminology of the Italo-Abyssinian Treaty of 1928 under which the Commission becomes operative is vague in the employment of the terms "arbitration" and "conciliation". He believes, nevertheless, that it is obvious that the first stage of the functions of the Commission, i. e. until the appointment of a fifth member if that eventuates, is purely that of conciliation.

(*e*) He anticipates that the appointment of a fifth member will, from an Abyssinian point of view, become necessary and due to the circumstance that no provision has been made for such an appointment by an outside agency, he is inclined to believe that this circumstance will lead the Commission into an impasse.

(*f*) He stated that in determining the responsibility for the Wal Wal incident it would be necessary for the Commission to reach a decision as to whether or not Wal Wal was Abyssinian territory. He believed that the latitude respecting the question of the boundary given the Commission as the result of the League Council's proceedings of May

[20] Not printed.

25 [21] brought the question of the determination of the territorial status of Wal Wal within the competence of the Commission. In presenting this view, Professor Potter stressed the circumstance that in the Council discussion of the boundary the word "delimitation" had been employed. It was of course understood that the Commission could not undertake the function of delimitation; but he felt that the restrictive sense in which this word was used left the Commission free to make a more general determination of the boundary as it affected the political status of Wal Wal.

I may comment that I feel that the Italian members will without doubt oppose any determination by the Committee of the territorial status of Wal Wal, taking the position in this respect that such action would be a determination and thus in principle a delimitation of the boundary.

Respectfully yours, PRENTISS B. GILBERT

765.84/393 : Telegram (part air)

The Consul at Geneva (Gilbert) to the Secretary of State

GENEVA, June 21, 1935—11 a.m.
[Received June 22—3:20 p.m.]

221. 1. The Secretary General has circulated a letter [22] received from the Abyssinian Minister at Paris dated June 19th requesting that the members of the Council and of the League be informed in substance as follows:

The Italian Government continues to despatch troops to Africa and to threaten Abyssinia in inflammatory speeches employing alleged frontier incidents as pretexts to justify "active preparations for an impending aggression and to make such aggression inevitable". The Abyssinian Government therefore submits to the League Council the following proposal.

(*a*) The Council to designate immediately neutral observers to go to Abyssinian territory in order to investigate the situation existing in the frontier districts, to make an inquiry into all alleged or real incidents and to report to the Council direct.

(*b*) The Abyssinian Government undertakes to afford all assistance to the observers and to pay the costs of the inquiry in such sum as the Council may fix.

2. The note makes no reference to the current arbitration proceedings and its technical relationship thereto is not clear. The note is also ambiguous as to whether or not Abyssinia is requesting an immediate convocation of the Council.

GILBERT

[21] See telegram No. 201, May 25, 11 a.m., from the Consul at Geneva, p. 603.
[22] League of Nations, *Official Journal*, August 1935, p. 972.

765.84/470

The Minister in the Netherlands (Emmet) to the Secretary of State

No. 245 THE HAGUE, June 28, 1935.
[Received July 10.]

SIR: I have the honor to report that the first meeting of the Commission of Arbitration set up under the Italo-Abyssinian Treaty of August 2, 1928, took place in Milan in the first week of June. At that time, as the Department has already been informed by the Consul in Geneva, The Hague was selected as next place of meeting. Although the movements of the various members of the Commission were kept secret for some mysterious reason, they finally turned up at Scheveningen on Monday, the 24th of June, and held a first session on Tuesday, the 25th.

The Abyssinian delegates, Professor Pitman B. Potter (American) and M. de la Pradelle (French) established themselves at the Grand Hotel, and the Italian delegation, Counts Aldrovandi Marescotti and Montagna, went to the Palace Hotel. The actual meetings of the Commission take place at either one or the other of these hotels and therefore have so far been extremely informal. On Wednesday of next week the first pleadings before the Commission will be made by the representatives or agents of the two States involved. I understand that these will be for Italy Signor Lessona [23] and for Abyssinia M. Jèze, legal counselor of the Ethiopian Legation in Paris.

The questions which are being discussed and which this Commission will attempt to settle are the various border incidents, including the most important one of Wal-Wal, which is said to contain in itself all the problems involved in the others and the settlement of which would erase many others from the agenda. The two groups of delegates exchanged long memoranda on Tuesday, covering all aspects of the subject. They have since been occupied with the study of these memoranda and have now prepared, by mutual agreement, a list of those items upon which there is disagreement. With this list before them, the Commission will attempt, after the pleadings of the two agents, to arrive at an amicable settlement without recourse to a fifth arbitrator. Should, however, no progress be made by July 25th, it has been agreed that a fifth member will be chosen to sit on the Commission.

Yesterday Mr. Wilson [24] went to see Professor Potter and asked him to say as much as he could for confidential transmission to the Department. The information given above is taken chiefly from what Professor Potter said. Although at first unwilling to speak frankly, he finally expressed an opinion which is somewhat startling in view of reports from Rome and other quarters. Briefly, it was

[23] Alessandro Lessona, Italian Under Secretary for Colonies.
[24] W. M. Wilson, First Secretary of Legation.

that the Italian memorandum had been very reasonable and conciliatory in tone and that he was of the opinion now that Italy meant to come to some agreement concerning the numerous border incidents under discussion,—at least that he did not see any reason, from a study of the two memoranda exchanged, "why an agreement might not be reached".

Professor Potter is leaving for London this morning "to see some friends who are there" and will return after the week-end. He is calling at the Legation as soon as he returns and I hope to be able to keep the Department accurately informed concerning the further meetings of the Commission of Arbitration.

Respectfully yours, GRENVILLE T. EMMET

765.84/427 : Telegram

The Chargé in Italy (Kirk) to the Secretary of State

ROME, July 2, 1935—11 a.m.
[Received July 2—9:30 a.m.]

332. I had occasion to discuss yesterday with the French Ambassador the Italo-Abyssinian conflict with special reference to Eden's visit to Rome.[26]

Chambrun said, in the first place that France's interest in the matter was governed by three concepts, namely, her desire for peace; her support of the League; and her friendship for Italy. France's direct interests in East Africa, he continued, were largely economic and were centered in French Somaliland, with the hinterland and the strip of territory contiguous to the Djibouti-Addis Ababa Railroad. These interests, he said, in so far as the Italians were concerned had been amply safeguarded in the agreements reached during the Laval-Mussolini conversations in Rome.[27]

Chambrun stated that he had taken occasion to present to the Duce the attitude of the French Government as outlined above and that before leaving for his recent trip to Paris he had been authorized by Mussolini to state to the French Government that he, the Duce, was definitely in favor of a peaceful solution of the conflict with Abyssinia if Italy's prestige and interests could be safeguarded in that way. He said that when, according to the prevailing impression Mussolini in demanding a solution which by instituting in Abyssinia in favor of Italy some regime analogous to that established in Morocco destroyed the sovereignty of that country, it was easily conceivable that he would

[26] Anthony Eden, British Minister for League Affairs; in Rome June 24–26. See statement by Eden in the House of Commons, Hansard, July 1, 1935, col. 1520–1522.

[27] See telegram No. 46, January 16, 8 p.m., from the Ambassador in France, p. 173, especially last paragraph.

reject a proposal such as Eden is said to have made involving certain concessions by Abyssinia to Italy after the cession by England to that country of an outlet to the sea through British Somaliland.[28] And in connection with this cession Chambrun parenthetically stated that it was not entirely favorable to the French as it would detract from the importance of the Djibouti Railroad.

Chambrun felt however, that some other solution might still be found, always on the assumption that the Duce preferred a peaceful solution. He said that the cession of the Province of Ogadin to Italian Somaliland was in itself not sufficient nor would Italy be satisfied if in addition she received certain territorial concessions on the frontier of Eritrea together with certain economic advantages in Abyssinia. Some gesture was essential to vindicate the honor and prestige of Italy and this could be effected by the cession of Adowa which would enable Mussolini to advertise the triumph of his regime over the defeat of the previous government. If then over and above the foregoing a perpetual treaty of amity with the Emperor could be arranged safeguarding order along the frontiers and granting special economic advantages to Italy in the country which could gradually be extended in scope to the advantage of Italy by peaceful means Mussolini, Chambrun was inclined to believe, would be in a position to stop short of an actual war.

The French Ambassador repeated that the foregoing were merely his views. Everything, he said, now depended upon England and her willingness to participate directly or indirectly in finding a solution. France for its part he declared was profoundly interested in avoiding any war and also in safeguarding the prestige of the League, which he felt should become more and more an entirely European institution and France and Italy, as well as England, must cooperate to that end. The relations between France and Italy were now very favorable and the present tension between Italy and England was less likely to develop to such serious proportions as in the event of a similar disaccord between France and Italy who have only recently abandoned a policy of mutual recrimination. Although Mussolini's position he considered had not weakened and there was every indication that he intended to carry through his aims, he felt that there was at present a greater chance of avoiding a conflict than there was two months ago and repeated that England was now the prime factor in warding off the danger. Anything he concluded that could be done to impress England with that responsibility would be in service of the cause of peace.

Cipher messages mailed Paris, Geneva.

KIRK

[28] See telegram No. 50, July 3, noon, from the Chargé in Ethiopia, *infra*.

765.84/430 : Telegram

The Chargé in Ethiopia (George) to the Secretary of State

ADDIS ABABA, July 3, 1935—noon.
[Received July 3—9 : 40 a.m.]

50. Monday night [29] British Minister informed Emperor that Eden had proposed to Mussolini rectification Somali frontier involving cession of Ethiopian territory to Italy, to be compensated by cession to Ethiopia of British port Zeila and corridor to sea, but that Mussolini had rejected. British initiative was taken without consulting Emperor. Anticipate fresh Ethiopian appeal for moral support of the United States and shall be guided by instructions already received [30] in so far as possible.

GEORGE

765.84/460 : Telegram

The Minister in the Netherlands (Emmet) to the Secretary of State

THE HAGUE, July 9, 1935—5 p.m.
[Received July 9—11 : 50 a.m.]

48. Italo-Abyssinian Commission of Arbitration adjourned noon today. Abyssinian agent insisted that jurisdiction of Commission permitted discussion of the question of Abyssinian-Somaliland frontier line in connection with Walwal incident, Italian Arbitrators insisted that procedure was incorrect and question beyond jurisdiction of Commission. In this connection the Italian delegates refused to agree to the appointment of a fifth arbitrator. The point has been referred to the two Governments and the Secretary General of the League of Nations has been informed. Professor Potter hopes that another meeting may be held either here or in Italy on July 20th.

EMMET

765.84/464 : Telegram

The Ambassador in the United Kingdom (Bingham) to the Secretary of State

LONDON, July 9, 1935—9 p.m.
[Received July 9—4 : 40 p.m.]

310. My number 309 of July 9, 6 p.m., and your 154, June 27, 5 p.m.[31] Following my conversation with the Foreign Secretary this morning on naval matters, I asked him if he could give me his views

[29] July 1.
[30] See telegram No. 22, December 18, 1934, 5 p.m., to the Chargé in Ethiopia, *Foreign Relations*, 1934, vol. II, p. 769.
[31] Neither printed.

in regard to the Italian-Abyssinian dispute. Sir Samuel Hoare said the situation was in his opinion very grave indeed and that he was not hopeful of a satisfactory outcome; that Mussolini was acting like a bull in a china shop and that probably nothing could be done to prevent him carrying out his purpose and making war on Abyssinia; that this was a vital concern to other countries for many reasons and moreover was a direct violation of various treaties to which Italy is a party. Mussolini has now put the issue in the shape of a contest between the black and white races which has had already unfavorable effects in Egypt, in Great Britain's African colonies and in British Dominions where there is a population of blacks. As a result Sir Samuel Hoare said he was determined to make every possible effort to prevent the outbreak of this war. He said he was in conference with the French attempting to find out if there was anything the French Government would be willing to do to bring pressure to bear on Mussolini. So far the British have not achieved any definite result but the Foreign Minister said his Government would continue their efforts along every possible line until the war actually began. He said he understood the position of the United States Government but could not refrain from expressing the hope that if there was any way by which the United States Government could impress upon Mussolini the inevitable tragedy which would result from his making war on Abyssinia, the United States Government would take such action to this end as they felt might be appropriate and useful.

Code text to Paris.

BINGHAM

765.84/474 : Telegram

The Consul at Geneva (Gilbert) to the Secretary of State

GENEVA, July 10, 1935—4 p.m.
[Received July 10—2:10 p.m.]

232. Privately informed that the Secretary General has just received communication from Abyssinian representative at Paris requesting him to communicate to the members of the Council the breakdown of the arbitration procedures at Schweningen [*Scheveningen*] and requesting that the Council as a matter of urgency consider the situation thus created.

This is informally interpreted as tantamount to a request for an early extraordinary meeting of the Council. League action, however, has not been determined upon.

This will probably be given to the press tomorrow.

GILBERT

765.84/471 : Telegram

The Chargé in Ethiopia (George) to the Secretary of State

ADDIS ABABA, July 10, 1935—6 p.m.
[Received July 10—11 : 30 a.m.]

56. Foreign Office confirms to me rupture in Arbitration Commission, regarded as grave incident. No confirmation reported war outbreak. Government officials today exhorting public in city streets to give lives for Emperor, mildly inciting against foreigners.

GEORGE

765.84/492 : Telegram

The Chargé in Italy (Kirk) to the Secretary of State

ROME, July 11, 1935—6 p.m.
[Received July 11—4 p.m.]

355. My 352, July 10, 6 p.m.[32] The Director of Political Affairs at the Ministry of Foreign Affairs on whom I called today to discuss a subject of routine brought up the matter of the suspension of the activities of the Wal Wal Commission at Scheveningen and reiterated the Italian contention in that regard; namely, that the Italian Government had declared that the Commission would be competent to determine only the facts of the incident in question and the responsibility therefor; that it had understood that this standpoint had been accepted by Abyssinia although the latter Government had expressed the wish that steps be also taken to determine the boundary question; that in spite of this understanding the French and American members of the Commission had insisted on behalf of the Ethiopian Government that the frontiers be discussed; that if these discussions were admitted the present Commission would, contrary to the original purpose, develop into a boundary commission and that the Italians had therefore decided that it was futile to continue the work of the Commission. The official added that the same objections to the discussion of boundary questions by the Commission would be raised against the submission of those matters to any arbitrator and that no further steps were contemplated by the Italians as regards the particular phase of the controversy as they considered that the next move should be made by the Abyssinians. I was given to understand that the Ministry of Foreign Affairs here proposes to furnish certain Italian representatives abroad for the information of the respective Governments to which they were accredited, documentary evidence in support of the Italian contentions as to the duties of the Wal Wal Commission and I also gathered that Italian representatives abroad

[32] Not printed.

might also be instructed to offer certain explanations in refutation of statements alleged to have been made by the Emperor of Abyssinia in making his appeal to the United States [33] on the basis of the Pact of Paris.[34]

In reference to the Abyssinian controversy in general the Foreign Office official said that there were no developments to report in connection with a possible solution of the conflict by peaceful means. He added that the press report from London to the effect that Grandi [35] had submitted certain proposals for a settlement was entirely without foundation. Although Italy's claims he continued may not yet have been stated in detail they should be well enough understood by now and need no longer be the subject for speculation. The Italian Government he continued was proceeding to the realization of its aims as soon as possible and in that connection the usual allusion was made to the time of the cessation of the rains in East Africa in the latter half of September. In short the general tenor of the conversation indicated that although the possibility of a peaceful solution should not be excluded it was at least the intention of the Italian Government to convey the impression that Italy was prepared to follow her course as regards Abyssinia and that in so doing outside considerations were not to be accorded undue significance.

In the meanwhile troop shipments and other military preparations continue and rumors are being circulated in military circles that some untoward incident might precipitate hostilities even before September. An official of the War Ministry admitted to the Military Attaché today that an estimate of 200,000 men as representing the number of native and Italian troops and workmen now in East Africa was not far from the truth and added that the mobilization of a fifth Black Shirt Division under General Teruzzi, Chief of the Fascist Militia, would be shortly announced.

Cipher message mailed Geneva.

KIRK

765 84/523 : Telegram

The Ambassador in France (Straus) to the Secretary of State

PARIS, July 14, 1935—3 p.m.
[Received July 14—1 : 05 p.m.]

592. For the Secretary. Saw Italian Ambassador to France at anniversary review this morning. In answer to my question he said that in his opinion war in Abyssinia is inevitable; that British Ambas-

[33] See telegram No. 51, July 3, 5 p.m., from the Chargé in Ethiopia, p. 723.
[34] *Foreign Relations*, 1928, vol. I, p. 153.
[35] Dino Grandi, Italian Ambassador to Great Britain.

ador here had suggested to Laval a meeting between Mussolini, Laval nd Hoare in an endeavor to find a solution that might avoid an rmed conflict; that Laval had telephoned to Mussolini, and that lussolini had replied that discussion would not alter his determinaion to maintain his position.

STRAUS

765.84/656

Memorandum by the Under Secretary of State (Phillips)

[WASHINGTON,] July 16, 1935.

During his call this morning the British Ambassador discussed in eneral terms the Ethiopian situation. He said that his information as to the effect that the "dead line" would occur on September 29th, n which date the rain suddenly ceased throughout the country; in his pinion, the British Government would follow the most practical ourse rather than an altruistic one; the only effective step which ould be taken, he said, was to close the Suez Canal to Italian ships; iat this probably could not be done without action by the League; iat any such proposition presented to the League would bring long eated discussion for and against, and might easily result eventually i war with Italy. Such a war was not to be thought of, and it was ie Ambassador's opinion that any other restraining influence would ear no results.

WILLIAM PHILLIPS

765.84/597 : Telegram

The Chargé in Italy (Kirk) to the Secretary of State

ROME, July 22, 1935—3 p.m.
[Received 5 p.m.]

385. My 364, July 16, 6 p. m.[86] I understand from British sources iat preliminary conversations to which allusions have previously en made are actually being carried on with a view to initiating negoiations between Italy, France and England in connection with the byssinian conflict, under the terms of the Agreement of 1906.[87] The ature and scope of these conversations are being surrounded with eat secrecy by the British here.

The Italian authorities also continue their attitude of reserve in ference to these negotiations as well as of detachment as to League tion and although they are ready to mention the course of the corspondence between the Italian and Ethiopian Governments in reard to the possible resumption of the meetings of the Commission

[86] Not printed.
[87] December 13, 1906, *British and Foreign State Papers*, vol. XCIX, p. 486.

established under the Treaty of 1928 (see my 382, July 20 [38]) they are careful to give the impression that they are in no way actually pressing this method of solution or as a matter of fact making any effort to accelerate the process of diplomacy.

KIRK

765.84/635 : Telegram

The Ambassador in the United Kingdom (Bingham) to the Secretary of State

LONDON, July 25, 1935—6 p.m.
[Received July 25—1:40 p.m.]

331. The Government announced in the House of Commons this afternoon, in reply to an arranged question, that arms and ammunition destined for Government of Abyssinia would be permitted transit across British territory or British protected territory adjacent to Abyssinia in accordance with article IX of the treaty of August 21, 1930.[39] It was stated at the same time that this Government understood the interpretation placed by the French Government on article IX of the treaty of August 21, 1930, to be the same.

As to the issue of export licenses for arms and ammunition, it was announced that the British Government are doing their best to make possible a peaceful outcome of the present unhappy dispute and would not wish to do anything which might prejudice the situation. They will, therefore, for the present not issue licenses for the export of arms from this country to Italy or Abyssinia.

In a private conversation this afternoon with a member of the Embassy's staff a Foreign Office official emphasized the importance of the announcement that the decision to refuse export licenses was "for the moment", and that the policy might be modified, dependent upon the outcome of the efforts now under way to effect a peaceful solution.

BINGHAM

765.84/644 : Telegram

The Chargé in Italy (Kirk) to the Secretary of State

ROME, July 26, 1935—10 a.m.
[Received July 26—8:40 a.m.]

402. My 329, July 1, 5 p. m.[38] There is every indication that the propaganda in favor of drastic action against Abyssinia is being intensified and that every opportunity is being availed of to arouse popular feeling in support of the aggressive policy of the regime. This propa-

[38] Not printed.
[39] *British and Foreign State Papers*, vol. CXXXIV, p. 332.

ganda which was at first chiefly noticeable in the press has gradually assumed a more positive character and demonstrations are becoming more frequent throughout the country. These demonstrations which are mobilized by command are becoming more convincing and give the appearance of a growing enthusiasm for a policy of force. Recently these manifestations have taken the form of anti-foreign demonstrations with England, and within the past few days Japan, placed in the same category as Abyssinia and have given rise to the impression in certain circles that anti-foreign sentiment in general is being developed throughout the country. Aside from the propaganda meetings and parades which are regularly organized reports have been received that demonstrations against the Japanese Consulate have taken place at Genoa and last night was the occasion for a manifestation here in which anti-British, Japanese and Ethiopian placards were displayed. There is also a growing impression that the Abyssinian venture, which has never been regarded as making a popular appeal, is now owing to the propaganda within the country and the alleged opposition from abroad actually arousing enthusiasm throughout Italy. It is difficult to believe that these manifestations indicate that the people no longer consider the dangers of a war and the sacrifices it would entail but as the period approaches which has been regarded as crucial it is clear that the Duce is able to point to a more enthusiastic demonstration of support of his policy than at any previous time.

KIRK

765.84/667 : Telegram

The Chargé in Italy (Kirk) to the Secretary of State

ROME, July 27, 1935—5 p.m.
[Received July 27—4:40 p.m.]

410. The French Ambassador [41] in discussing the forthcoming meeting of the League Council said that he considered it of great importance that some means be devised during the course of the meetings which would give satisfaction both to the Italian contention as to the limited scope of the discussions and to the British views as to the desirability of laying the entire conflict before the League. The contention of the Italians could be regarded as juridically sound in that they insisted that the agreement between Italy and Ethiopia, confirmed by the May resolutions,[42] limited the work of the Conciliation Commission to ascertaining the facts and responsibilities for the Walwal and other incidents, and as that work had not been carried out that there was no occasion yet to place the entire conflict before the League Council. This view, however, was narrow in application and

[41] Comte de Chambrun.
[42] Resolutions adopted by the League Council on May 25, 1935. See telegram No. 201, May 25, 11 a.m., from the Consul at Geneva, p. 603.

gave rise to the inference that the Italians exhibited interest in the resumption of the work of the Commission only when recently the possibility of broader League action became apparent. The British view, on the other hand, favoring as it did the complete statement of the controversy at Geneva, was more comprehensive in character but perhaps failed to regard the technical aspects of the proceedings. These two views, however, the Ambassador hoped could be reconciled at the Council meeting and to that end he made the following suggestion: The Council should be regarded as called in accordance with resolution 2 of May 25th. It should be bound by the terms of that resolution and by the agreements [43] between the Italian and Ethiopian Governments as to the nature of the discussion in the commission provided in the treaty of 1928. It might even interpret those agreements and possibly consider the matter of the fifth arbitrator. However, in addition to this effort to give effect to the conciliation procedure as established, the Council should invite England, France, and Italy to enter into conference to attempt to find a pacific solution of the entire conflict and if possible reach this solution before August 25th when the Council meets again. This the Ambassador suggested would tend to meet both views, would adequately safeguard League prestige, and would further the chances of avoiding hostilities unless of course Italy intended in any event to launch an attack even before August 25th. England, he thought, might agree to this plan and he hoped Italy could be persuaded.

The Ambassador again referred to the interest of France in the League and in preserving her friendship with England and Italy (see my 332, July 2, 11 a.m.). He said that the League was of the greatest importance to France not only as a factor in her relations with England but also as a basic element of her post-war policies in Central Europe and more especially in the Danubian basin. A close cooperation with England and Italy was necessary to France and must not be endangered. The Italo-Abyssinian conflict was a menace to that cooperation. Mussolini had large pretensions and had gone far in committing himself to a definite policy in following those aims. Some solution, however, was still possible he thought and the Ambassador referred to the case of Irak and to a lower degree that of Morocco which have been suggested as pointing the way to a solution which would prevent war. Some fighting he said might have to be engaged in but the chief danger lay in a declaration of war and that he hoped could be avoided both through the possible development of circumstances within Ethiopia and by the efforts which were being made outside to maintain peace.

KIRK

[43] See telegram No. 201, May 25, 11 a. m., from the Consul at Geneva, p. 603.

765.84/684 : Telegram

The Ambassador in the United Kingdom (Bingham) to the Secretary of State

LONDON, July 29, 1935—6 p.m.
[Received July 29—2 p.m.]

342. My 322, July 16, 7 p.m.[44] In the course of my conversation with the Foreign Secretary this morning he informed me confidentially, for communication to you, that the British effort at Geneva would be to bring about if possible the appointment of a fifth arbitrator, and, secondly, to attempt to bring about a conference of the French, Italian and British signatories to the 1906 treaty under the aegis of the League. He had some assurances that the French regarded both of these proposals sympathetically and therefore there was some hope that at least there would be delay and some possibility of negotiations in which the British would be willing to cooperate to obtain commercial advantages for Italy in Abyssinia and an extension of Italian right of way into Abyssinian territory, and, if necessary, to Italian economic advisers to Abyssinia, but in no case would the British agree to the destruction of the independence of Abyssinia. The above outline at the present time is only known to the members of the Cabinet here.

BINGHAM

765.84/695 : Telegram

The Consul at Geneva (Gilbert) to the Secretary of State

GENEVA, July 31, 1935—7 p.m.
[Received 8:45 p.m.]

256. 1. I learn from a reliable source that the developments in a private Council meeting today were substantially as follows:

Only Great Britain, France, Italy and Abyssinia, and Litvinoff in his capacity as president, participated in the discussion which concerned only the question of the scope of the agenda and in which the following positions were taken:

Italy maintained that the sole object of the Council was to find means of resuming the procedure of conciliation and arbitration, that respecting these procedures the question to be settled was regarding the aggressor at Wal Wal. There should be no discussion at the present session on a wider basis, in particular since the dispute was under arbitration. In any event Italy could not at present participate in a wider discussion.

[44] *Post*, p. 732.

Jèze stated that Abyssinia had asked the Council to intervene when it became clear that there was no hope of success in the conciliation and arbitration proceedings. Abyssinia was ready however to do everything to insure a pacific settlement. There was, nevertheless, no restriction as to the subject before the Council which embodied two questions (1) arbitration, and (2) the general matter of the dispute. In addition to the arbitration problem was the attitude of the Italian Government. The question was whether they were to embark upon procedures which would postpone matters or whether they would seek a peaceful solution which would decide the issue. The situation was becoming aggravated from day to day.

Laval then stated that both countries had agreed that arbitration had broken down and each had rejected the responsibility for the breakdown. By the Council's resolutions of May 25 the present meeting was to examine the question of the situation created by the check in the arbitration. He understood that Italy does not dispute the competence of the Council in this respect but that Italy requests that the examination of the Council be limited to the Wal Wal incident. The representative of Abyssinia did not request an extension of the discussion. The Council should thus consider the best means for the resumption of arbitration, that it should meet tomorrow, and in the meantime Great Britain and France should assist the parties in finding a formula to give the resolution of May 25 its full effect.

Eden wished it to be understood that no decision had been made to limit the agenda.

Litvinoff interpreted the proposal to meet tomorrow as not limiting the freedom of decision by the Council.

The proposal was adopted.

2. The general situation seems to be that the circumstance that the meeting was held today was because it was so scheduled and not because an agreement had been reached, that an understanding exists between the French and the Italians at least on the procedure here while a divergence of policy continues between the French and the British. The tactics the Abyssinians may follow are not clear.

GILBERT

765.84/708 : Telegram

The Consul at Geneva (Gilbert) to the Secretary of State

GENEVA, August 1, 1935—noon.
[Received August 1—7:08 a.m.]

258. Private negotiations are in progress between the British, French and Italians with conversations with the Abyssinians. The current

aspect of these negotiations is that the French have gained the middle position between Great Britain and Italy, negotiating with the British from the vantage point of prior understandings with the Italians while the British are thus far unsuccessfully striving to arrange with the French a common front to present to the Italians. The relationship between Abyssinia and France and between Abyssinia and Great Britain remains here exceedingly obscure as well as the entire matter of Abyssinian policy or tactics vis-à-vis the League, the general impression being, however, that their diplomacy is not in good hands.

GILBERT

765.84/712 : Telegram

The Consul at Geneva (Gilbert) to the Secretary of State

GENEVA, August 1, 1935—6 p.m.
[Received August 1—3 : 15 p.m.]

260. Council meeting scheduled for today has been postponed due to lack of agreement in the private negotiations which are continuing.

I learn from confidential sources that the immediate status of situation is that a draft resolution has been submitted to Mussolini containing the following elements: a continuance of the arbitration procedures; direct negotiations between France, Great Britain and Italy as signatories of the tripartite treaty of December 31 [*13*], 1906; Abyssinia to be brought into these conversations; the Council to review the entire situation in its September session.

Mussolini has raised objections as follows: with reference to the 1906 treaty in that such action would bring to the fore in the present issue and serve to reaffirm the existence of British and French as well as Italian "spheres of influence" in Abyssinia, also on the ground that a reference to action by the treaty powers in Council resolution would be in some respects tantamount to these powers acting as a committee of the Council and thus embodying action Council settlement which he does not desire, and furthermore that the participation of Abyssinia in discussions under the 1906 treaty would be improper as Abyssinia is not a party to the treaty and in particular that Abyssinia has not "recognized" the treaty.

It would appear that the Abyssinians are left aside in these negotiations and the assumption is now current that Abyssinia will accept any formula which may be devised.

In general the British are the advocates of a "strong" resolution while the French are still occupying a middle position.

GILBERT

765.84/725 : Telegram

The Chargé in Italy (Kirk) to the Secretary of State

ROME, August 2, 1935—6 p.m.
[Received August 2—5 : 35 p.m.]

428. My 418, July 30, 6 p.m.[45] The British Ambassador [46] in discussing today the present Council meeting at Geneva said that he personally regarded as very remote the possibility that definite progress would be made towards a peaceful solution of the Italo-Abyssinian conflict and that he did not believe that the chances of success would be any greater if a conference should be arranged between England, France and Italy. He said that Mussolini's position had become fairly well defined, that his main objectives were to obtain territory for expansion and military security for Italy in East Africa and to that end he would be satisfied with nothing short of some form of actual control over Abyssinia. In fact the possibility of according Italy extensive economic advantages in Ethiopia had been thoroughly explored but although suggestions along this line had been presented to the Duce he had definitely rejected them as entirely inadequate. The Negus on the other hand had developed so strong an attitude of hostility against the Italians that he would rather fight than make concessions which would satisfy Italy, and Mussolini's demands were such that it would be impossible for the powers in general and England in particular to prevail upon the Emperor to accept them. The members of the Foreign Office here, the Ambassador agreed, were exerting every effort to further negotiations through diplomatic channels and although they were fully aware of the importance of the present proceedings in Geneva they looked to the Council meeting of August 25th as marking the crisis which would determine the success or failure of those efforts. Furthermore, it was highly probable he said that the Italians were in the meanwhile exerting themselves with a view to precipitating some turn of events in the internal affairs of Ethiopia itself which would favor the realization of their aims without a military offensive. The main consideration, however, the Ambassador said was that in so far as he could judge the Duce was maintaining the attitude of firm intent and that the considerations both internal and external which could reasonably be expected to influence his policy had apparently not weakened in any way his determination to carry out his aims against Abyssinia. Even a declaration of war he felt might occur for although the Italians professed that such a course was contrary to their wishes it might be necessary in order to prevent aid to the Negus from without by establishing a status of belligerency.

KIRK

[45] Not printed.
[46] Sir Eric Drummond.

765.84/731 : Telegram

The Consul at Geneva (Gilbert) to the Secretary of State

GENEVA, August 3, 1935—11 a.m.
[Received 11:48 a.m.]

265. I have been told by a member of the British delegation that London had telephoned the delegation to the effect that consideration was being given there to an approach to Washington on the subject of the United States collaborating in some form with the projected conversations relating to the 1906 treaty—Consulate's 262, August 2, 4 p.m.[48] paragraph 1 (2)—having an observer present being mentioned as a possible form.

While I was told this in a manner exceedingly casual I gained the impression that it was with a view to obtaining my reaction. I naturally made no comment whatsoever.

GILBERT

765.84/734 : Telegram

The Consul at Geneva (Gilbert) to the Secretary of State

GENEVA, August 4, 1935—noon.
[Received August 4—9:35 a.m.]

268. Consulate's 267, August 4, 10 a.m.[48] I learn from a member of the French press that Laval[49] informed them that Politis, Greek Minister at Paris, had been agreed upon by the two parties as satisfactory as the fifth arbitrator. It appears that Politis was proposed by Laval, accepted by Aloisi and later by Jèze.

It remains of course technically the function of the Commission itself to designate a fifth arbitrator.

Some amazement is expressed here and naturally a questioning of Politis' own role in this affair in that the Italians should accept him in the face of his well known special relations of some standing with Addis Ababa. I now learn in this connection that Politis was named by the Abyssinians as an original member of the Commission but that Rome, taking the matter up with Athens at that time, prevented his acceptance.

GILBERT

[48] Not printed.
[49] Pierre Laval, French Prime Minister and Minister for Foreign Affairs.

765.84/769 : Telegram

The Chargé in Italy (Kirk) to the Secretary of State

ROME, August 8, 1935—6 p.m.
[Received August 8—2 p.m.]

455. My 488, August 6, 6 p.m., paragraph 2.[50] I understand from British sources that the conference between the representatives of France, Great Britain and Italy will take place on August 15th presumably at Paris and that as the conversations are to take place in France an invitation will be sent by Laval to the Italian Government to send a representative. It is stated that Laval and Eden will represent their respective Governments and that presumably the Italians will send Aloisi.

KIRK

765.84/822 : Telegram

The Chargé in France (Marriner) to the Secretary of State

PARIS, August 14, 1935—noon.
[Received August 14—8 : 10 a.m.]

688. Vansittart[51] arrived here yesterday afternoon and Eden by a later train in the evening. Eden was accompanied by Strang, Thompson and Hankey and is staying at the British Embassy. Aloisi arrives tomorrow morning. Eden sees Laval this morning and Laval will see Aloisi tomorrow after his arrival. It is possible that Eden and Aloisi will also confer before the opening of the formal conference on Friday August 16.

It is generally believed that the British thesis will be to support, in so far as possible, the granting of considerable economic concessions in Abyssinia to Italy and persuade against any territorial infringement. It is felt here, however, that such a thesis will not prove sufficient for Italy even if accepted by Abyssinia. The French press today is very reserved and contents itself with stating the opposing thesis of Italy and England and expressing the hope that Laval will succeed as mediator. There is no definite indication as yet of the French attitude except that it should go as far toward conciliation and maintaining the authority of the League as possible without openly offending Italy. Probably no further indication will be forthcoming until after Laval has seen Eden and Aloisi.

MARRINER

[50] Not printed.
[51] Robert G. Vansittart, British Permanent Under Secretary of State for Foreign Affairs.

765.84/829 : Telegram

The Consul at Geneva (Gilbert) to the Secretary of State

GENEVA, August 14, 1935—9 p.m.
[Received August 14—5:15 p.m.]

275. Secretary General has circulated a note from the Abyssinian Government under date of August 12th laying an "appeal" before the members of the Council in which it inquires whether the Council will remain unmoved in the face of the situation whereby the Italian Government continues sending troops to Africa with the avowed intention of attacking Abyssinia while the Abyssinian Government find it impossible to obtain means of defense outside its own frontiers being met with embargoes on arms wherever it turns.

Informed that full text has been sent by the United Press.

GILBERT

765.84/832 : Telegram

The Chargé in France (Marriner) to the Secretary of State

PARIS, August 15, 1935—10 a.m.
[Received August 15—9:15 a.m.[54]]

691. The interview between Eden, Vansittart and Laval yesterday is treated with complete discretion by the French press which stated that Laval might issue a communiqué on Friday after his conversation with Eden and Aloisi. The Embassy has learned however from a friendly and usually reliable British journalistic source that the British offer of purely economic concessions in Abyssinia to Italy (see Embassy's 688, August 14, noon) was amplified yesterday morning by an added offer for Italian colonization in that sparsely populated area of Abyssinia which is northeast of Lake Tana. The sop to Abyssinia in this case would be the cession to that country of the port of Zeilah by Great Britain, a sop offered to Mussolini by Eden on the occasion of his last visit to Rome and refused.

The same source also stated to the Embassy that the pressure brought to bear on Laval by Eden was as follows:

First, either France aligned itself with Great Britain in protecting the sanctity and prestige of the League, or, second, Great Britain baffled in every attempt to seek a peaceful solution, would withdraw from cooperation on the Continent and seek to safeguard its Empire in the face of manifest dangers.

The dangers mentioned were a possible race riot from Cairo to the Cape; the threat to the headwaters of the Blue Nile; the threat to the routes to India; and particularly from the French point of view

[54] Telegram in three sections.

the danger of bolstering Nazi strength in Austria which might follow in the wake of Italian preoccupation in Abyssinia.

It was the opinion of the source quoted that France, faced by the British threat of retroceding from Continental affairs and now gradually realizing the implications involved in the pending conflict, particularly racial, was gradually swinging more and more toward the British thesis. At the same time it was agreed that the attitude of Abyssinia toward a solution arrived at without being previously consulted was problematical in the extreme.

During the time that the above information was being obtained I saw Vansittart and one of his closest associates both of whom confirmed without specific detail the general tenor of the above. Parenthetically in appearance and action Vansittart was profoundly discouraged. He indicated that the negotiations might be prolonged beyond the 3 days originally assigned them.

I learned that Vansittart took occasion to explain to Laval that, as a permanent official representing the continuity of British foreign policy friendly over a long period to France, and with no political fences to guard, he was convinced that it was absolutely necessary in order to preserve the peace of Europe for France and England to take a firm stand together.

Finally Vansittart felt that the dangers inherent in the present situation were greater than at any time since 1914, particularly as Germany is playing a waiting game and prepared to take advantage of the first false step by any party.

MARRINER

765.84/843 : Telegram

The Chargé in France (Marriner) to the Secretary of State

PARIS, August 16, 1935—1 p.m.
[Received August 16—10:25 a.m.]

694. Laval saw Aloisi yesterday and subsequently Eden and then the Abyssinian Minister. Eden also talked with Aloisi in the evening. The formal conversations begin today when all three delegations lunch at the Quai d'Orsay. So far Laval has given no indication of France's position. It is understood that Aloisi outlined the extreme Italian thesis to Laval, that is, military occupation up to the plateau and complete and immediate disarmament of the Ethiopian forces. Abyssinia appears to be willing to go further along the road in commercial concessions than previously but firmly rejects territorial infringement. England has not sensibly changed her attitude since my telegram 691, August 15, 10 a.m. The French press on the whole reserves judgment and hopes for the best and for moderation on all sides.

Leon Blum takes the opportunity in the *Populaire* to warn Laval that France cannot tolerate the pillaging of Abyssinia; hopes that Laval will be successful in his role of mediator, but adds that such a success will not excuse the decree laws and the riots of Toulon and Brest.

Politis, Greek Minister to Paris, has accepted the position of fifth arbitrator on the Conciliation Commission which may meet in Paris under his Presidency.

MARRINER

765.84/844 : Telegram

The Chargé in the United Kingdom (Atherton) to the Secretary of State

[Extract]

LONDON, August 16, 1935—3 p.m.
[Received August 16—11 : 40 a.m.]

373. As reported in my 356, August 8, 1 p.m.,[55] Eden and Vansittart arrived in Paris on Tuesday [56] evening to conduct preliminary conversations before the arrival of Aloisi. Foreign Office received last evening a report of the Wednesday conversations in which Vansittart indicated that the French still harbored two illusions: (1) that the issue lay mainly between the opposing policies of England and Italy, and (2) that Laval's role was to act as mediator between these points of view which implied that there could be imposed arbitrarily upon Abyssinia a settlement to which he, as mediator, could induce the British and Italian Governments to agree. Vansittart added that the Wednesday discussions had been mainly taken up in disabusing the French of these impressions and pointing out the urgency for a common Anglo-French front in settlement of an Italian-Abyssinian question. Foreign Office has received no report of yesterday's conversations and they have asked me to see them tomorrow morning.

.

ATHERTON

765.84/870

The British Embassy to the Department of State [56a]

AIDE-MÉMOIRE

The United States Embassy in London having informed the Foreign Office that the United States Government would be glad to receive any information available regarding developments in connec-

[55] Not printed.
[56] August 13.
[56a] Phrases and omissions in parentheses in this *aide-mémoire* reproduced as in the original document.

tion with the Italo-Abyssinian dispute, His Majesty's Chargé d'Affaires has been instructed in a telegram from Sir Samuel Hoare to convey to the Secretary of State the following account of the recent course of events.

The following is a summary of the proceedings at Paris up to date for the confidential information of the United States Government.

Baron Aloisi proposed to Monsieur Laval as the basis of the conversations:—

1. French and British recognition of Italian political and economic preponderance in Abyssinia.
2. A declaration by both countries of their recognition of Italian need of expansion.
3. In the event of agreement on the above two Points an assurance of Italian cooperation at Geneva.

Baron Aloisi explained that a Class C Mandate over Abyssinia was what Italy really wanted.

Monsieur Laval replied that he could not accept the idea of a Mandate. Nor could he accept these Points, of which 1 and 3 were very indefinite, as the initial basis of negotiation. He suggested that an attempt be made to secure, under the terms of a treaty to be signed by France, Great Britain, Italy and Abyssinia, certain economic concessions and the appointment of some Italian technical advisers. These advantages, combined with rights of settlement in certain parts of Abyssinian territory, should ensure to Italy by peaceful means a good deal of what she might seek to obtain by means of war. Baron Aloisi did not reject this proposal out of hand and it was then worked out on paper.

At the first session of the Conference Mr. Eden, who was supported by Monsieur Laval, said that the Italian proposal that the two countries should endorse Italian political as well as economic preponderance in Abyssinia could not be accepted as a basis of the conversations. (Monsieur Laval had previously informed Baron Aloisi that France had already (? declared) her economic disinterestedness in Abyssinia and that he had no doubt of a similar disposition on the British side.) He and Mr. Eden then urged further examination of Monsieur Laval's above-mentioned tentative proposals. But when the draft prepared by the Quai d'Orsay was produced, Baron Aloisi rejected it and Monsieur Laval and Mr. Eden said that they, too, could not accept it. But it was agreed that the experts should produce an amended draft in order to make a beginning.

Meanwhile Signor Mussolini in Rome was warned through the French Embassy that proposals would shortly be submitted to him and that, although neither the French nor British Governments had accepted them, they represented the limit of (--------) efforts to establish a basis of agreement. Signor Mussolini should therefore

examine them very carefully and should bear in mind that in the event of his rejection of them, Monsieur Laval would probably have no further proposals to offer and would be obliged to range himself alongside his British friends. Monsieur Laval gave the impression that he appreciated the real British attitude (which both he himself and Mr. Eden had explained to Baron Aloisi as being impersonal and based on (_____) the League). He had already explained to Baron Aloisi that French policy was based on the League and that France could not contemplate the possibility of a revulsion of British public opinion from cooperation in European affairs. Lastly Monsieur Laval intimated that he proposed himself to telephone to Signor Mussolini.

At the resumed Conference the same evening Baron Aloisi at first refused even to communicate the amended draft proposals to Rome, but later, under pressure, agreed to try to secure Signor Mussolini's authority (? to) discuss them. His chief objections were to references to the independence and integrity of Abyssinia and to the open door in Abyssinia and to the absence of sufficiently clear provision for Italian political predominance in Abyssinia. He had already been informed by Mr. Eden, in reply to a previous remark that economic concessions would be useless without reinforcement by Italian garrisons, that Abyssinia could not make any such concession.

The French Ambassador in Rome had an interview with Signor Mussolini on August 13th. His intention had been to discuss the proposed Danubian Pact, but the conversation turned almost entirely on Abyssinia. The French Ambassador urged Signor Mussolini that sufficient progress be made in the matter of the Danubian Pact to allow of an early conference at Rome. Signor Mussolini said that while he desired to keep European politics apart from the Abyssinian question, he could not accept this proposal. His main difficulty was that he was under a threat of economic sanctions, if they were not already in operation. For example he was unable to obtain such materials as coal and copper from British sources except against gold payments and he regarded this as a preliminary form of sanctions. (The French Ambassador was not aware of the fact that the reluctance of British exporters is solely due to their fears that payment will be indefinitely postponed unless it is secured in gold.) Signor Mussolini added that there had been somewhat similar difficulties in regard to the United States and that there was also some trouble over the lira in the Near East. But, he said, his chief cause for anxiety was the situation between Italy and Great Britain. He informed the Ambassador that he did not intend to leave (? the League) but that he reserved the right to be represented at Geneva even if his only purpose was to find out who was on his side and who on the side of Abyssinia. In reply to an enquiry by the Ambassador, Signor Mussolini

said that France could best help Italy in this grave situation by persuading Great Britain to be more favorable to the Italian demands.

He mentioned in the course of the interview that he had 160,000 men in Africa, but this may have included workmen as well as soldiers.

The French Ambassador found Signor Mussolini looking rather tired, greatly preoccupied and inclined to harp continually on the question of sanctions and on the supposed hostility of Great Britain, with whom he even seemed to contemplate the possibility of a definite breach.

Mr. Osborne [57] has been instructed to invite the Secretary of State's special attention to this conversation between Signor Mussolini and the French Ambassador in Rome and to its implication that Italy is feeling the effect of economic difficulties and is nervous of economic pressure, which may, consequently, perhaps form an effective means of restraining her.

WASHINGTON, 17 August, 1935.

765.84/857 : Telegram

The Chargé in France (Marriner) to the Secretary of State

PARIS, August 18, 1935—noon.
[Received August 18—11 : 15 a.m.[58]]

702. Eden asked me to see him this morning. He is as profoundly discouraged as all the others, particularly by the noncooperation of Mussolini in so long delaying an answer to the proposals made to him by France and English [*England*] last Friday. Eden said that to hasten matters they had made their ultimate offer including economic concession in Abyssinia, possible working out through the League at the request of Ethiopia of a kind of tripartite advisory control of Ethiopian finance, customs, et cetera, in which in practice France and England could yield to Italy as well as the cession of a port such as Zeilah to the Abyssinians to permit the Emperor to cede certain other territories that would meet Italian demands and save Italian face.

Eden said that he had not talked as yet with the Abyssinians on these subjects as he felt it no use until there should be a definite proposition satisfactory to Italy and safeguarding the League which could be put up to Ethiopia.

In case Mussolini refuses the proposals put before him, and I hear that Aloisi is with Laval now, Eden feels that the forthcoming session of the Council and Assembly can avail nothing and only bring about the retirement of Italy from the institution and the wrecking of the peace machinery of the world.

[57] Francis Osborne, British Chargé.
[58] Telegram in two sections.

He is also disturbed by the fact that Italy while injuring itself from the financial and economic points of view by the maintenance of a vast fighting force becomes in so far as Europe is concerned a constant danger. He said that the French were considerably alarmed about the difficulties in Albania lest they ignite trouble between Italy and Yugoslavia.

Eden said that he had yesterday cabled Lindsay [59] hoping that the United States could find its way to some means of convincing Mussolini of the deep interest of all powers in the maintenance of peace.

Sir Herbert Malkin legal adviser of the Foreign Office is flying over today to work on a reply to the legal points raised by the Italians under the Treaty of 1906 all of which according to Eden have no practical bearing on the present problem.

MARRINER

765.84/864 : Telegram

The Chargé in France (Marriner) to the Secretary of State

PARIS, August 18, 1935—9 p.m.
[Received August 18—4:58 p.m.]

703. Have just been informed that negotiations over the Abyssinian affair have broken down due to Mussolini's intransigent attitude as communicated to Laval by Aloisi this morning. The British delegation is preparing to leave tomorrow.

MARRINER

765.84/875 : Telegram

The Chargé in France (Marriner) to the Secretary of State

PARIS, August 19, 1935—7 p.m.
[Received August 19—4 p.m.]

711. French press reactions to the break-up of the tripartite negotiations show little sign of being influenced by internal political considerations. From left to right the newspapers express sorrow at the inability of the three powers to arrive at conclusion and show a tendency to place the principal cause for failure upon the divergence between Anglo-Italian viewpoints. This allows them to show France as the disappointed peacemaker. If anything the general tendency is to infer that Italy should be leniently and considerately treated without compromising France's devotion and duty to the League.

MARRINER

[59] Sir Ronald Lindsay, British Ambassador at Washington.

765.84/892 : Telegram

The Chargé in the United Kingdom (Atherton) to the Secretary of State

LONDON, August 20, 1935—8 p.m.
[Received August 20—8 p.m.]

384. Sir Samuel Hoare sent for me this evening and first mentioned that through its telegram of Saturday afternoon [60] the Foreign Office had kept you informed of the Paris negotiations, and that in effect the proposed terms for negotiation were tantamount to a concession to Mussolini of all he had looked for earlier, and indeed had he accepted them, he might well have claimed a decisive victory. The Foreign Secretary obviously resented the fact that with the knowledge that the Paris proposals were being formulated and that Laval was to telephone to him Mussolini absented himself from all communication with the outside world by going to his troops, leaving Suvich merely to reply that none of the propositions from the tripartite negotiations were acceptable. Sir Samuel Hoare then added it was clear the man was approaching a form of madness in which he conceived he was going to reconstruct the old Roman Empire and in fact the Italians very candidly said in Paris that England had lost its power and that Italy was going to be the new dominating force in Europe. The Foreign Secretary said that in his opinion Mussolini was bound to undertake military action in Abyssinia. Nothing could stop it. England had now to consider her position and there would be a meeting this week of the Cabinet upon Mr. Baldwin's return but the position as the Foreign Secretary saw it was as follows: at Geneva England would go as far as France was willing to go, but no further. (My 381, August 19, 6 p.m.[61]). How far France would go, the Foreign Secretary said he could not say at the moment, but he did realize that the French considered one of the solid things they had in Europe was the Franco-Italian understanding and in his opinion it meant far, far more to France than the so-called Franco-Soviet alliance. He felt the League procedure might be more protracted than was generally realized, in that after the Council met on September 4th an inquiry would have to be instituted and out of that inquiry would follow the consideration of the imposition of sanctions more especially economic. Thus it might be the end of September or later before that definite phase arose. Whether the imposition of economic sanctions was feasible in the modern world was another question, but without making any suggestions the Foreign Secretary said he hoped it was realized how important it would be in such an

[60] See *aide-mémoire* from the British Embassy, August 17, 1935, p. 628.
[61] Not printed.

eventuality to know what position the United States would take. There was also another eventuality which, again without making any suggestion, the Foreign Secretary said was something in which his Government was vitally interested, namely, whether there would be united Anglo-American support for a meeting called under the Pact of Paris. The third eventuality which the Foreign Secretary said he had under consideration, arose out of the presumption that Italy would start her Abyssinian campaign some time after the middle of September. Reports the British were receiving from Italian African possessions now indicated the utmost confusion in the army preparations and the British were not at all convinced that the Italians could achieve the conquest of Abyssinia easily. But if they were permitted to undertake the campaign unchecked, reaching Adowa and gaining anything that could be claimed as a victory, the immediate resultant effect upon Mussolini and Italy would be of such a triumphant character that there would be no stopping the Italians in their demands in Abyssinia and for that matter in other spheres as well. Therefore, Sir Samuel Hoare felt that the United States and England, together with France and other nations, must consider how to unite world opinion in condemnation of Italy at the earliest possible moment after she starts the military conquest of Abyssinia. This Sir Samuel felt might check Mussolini's pretensions, and even with a military victory to his credit, make him realize it was a more hollow achievement than he was leading his people to believe.

In conclusion, the Foreign Secretary said that he was conscious of the many problems that confronted the United States Government, both internal and external, and therefore in indicating to me certain world aspects of the present question, which naturally concerned the United States, he was in no way making suggestions but he did believe if the United States Government was thinking along the lines he had indicated as being the considerations the British Cabinet must have in mind, it might lead to a clearer definition of the possibilities of close Anglo-American cooperation to meet this threat to world peace.

In press conversations today Foreign Office has stated Great Britain would at no time consider sending troops in to Lake Tsana, but further indicated that one of the first problems facing the Cabinet would be the question of lifting the embargo on arms to both Abyssinia and Italy. On this particular question the Italian Naval Attaché today stated definitely but in strict confidence that in the event of shipment of arms to Abyssinia, Italy would consider what method she must be prepared to undertake to prevent their reaching their destination.

ATHERTON

765.84/896 : Telegram

The Chargé in Italy (Kirk) to the Secretary of State

ROME, August 21, 1935—9 a.m.
[Received August 21—6:32 a.m.]

508. Following from Addis Ababa relayed at request of Legation:

For the Department. 77, August 20, 3 p.m. Local reaction to the events in Paris is that Italy is evidently irrevocably committed to extreme measures which do not permit of any compromise. Mussolini seems determined to achieve military success to wipe out memory of Adowa and to establish protectorate over whole of Ethiopia. The Emperor is deeply grateful for conciliatory work of Great Britain with which France has only quite recently associated herself but he fears that neither they nor any concessions short of surrender of sovereignty and independence on his part will be able to accomplish anything in the face of Italy's forward policy of military and political aggression.

Feeling of profound disillusionment pervades Government circles but the utmost confidence in justice of Ethiopia's cause and the ability of a united nation behind the Emperor to make conquest impossible. Engert.

KIRK

765.84/899 : Telegram

The Chargé in the United Kingdom (Atherton) to the Secretary of State

LONDON, August 21, 1935—7 p.m.
[Received August 21—1:15 p.m.]

388. Cabinet members have been in consultation today with the leaders of the Opposition, the Dominion representatives and representatives of the Committee on Imperial Defence. In the given circumstances importance is attached here to Mr. MacDonald's [62] statement to the press just before the Cabinet met this afternoon:

"I regard the present situation as the most serious thing we have had to face since 1914. It is a very grave situation."

ATHERTON

765.84/916 : Telegram

The Consul at Basel (Donegan) to the Secretary of State

BASEL, August 22, 1935—1 p.m.
[Received 2:20 p.m.]

For the Secretary of State from Ambassador William E. Dodd.[63]

"After conferences with informed German, English, and Swiss people I venture to summarize situation. Italy must win in Africa

[62] J. Ramsay MacDonald, British Prime Minister.
[63] Ambassador in Germany.

or the Duce gradually falls. The object is to dominate East Africa and gradually control the Mediterranean. England is fully aware of her decline in case Mussolini succeeds. As I have wired before Germany expects Italy's failure. In case Italy does collapse after prolonged warfare, Nazi regime will move into Balkan zone at will. From economic point of view Germany cannot wait very long. However, Schacht's [64] removal might precipitate domestic crisis.

All opinion agrees the League is about dead. If England does nothing her decline begins and dictatorial Europe will hardly be limited. The only chance of more democracy in the world depends upon the blockade of warring Italy. Washington may be interested in this. Dodd".

DONEGAN

765.84/913 : Telegram

The Chargé in the United Kingdom (Atherton) to the Secretary of State

LONDON, August 22, 1935—4 p.m.
[Received August 22—12:30 p.m.[65]]

391. My 388, August 21, 7 p.m. Members of the opposition consulted by the Government yesterday, including Lloyd George, Lansbury, Winston Churchill and others, although for varied reasons, advised the Cabinet to take a firm stand. The Dominion representatives, however, explained that the public opinion that they represented were far less concerned than public opinion here.

Yesterday's discussions make it evident that the Cabinet consider the present situation contains a double challenge: (1st) a challenge to the League of Nations and (2d) a challenge to Great Britain's prestige and position, especially as regards the Mediterranean. According to stated policy of the Government, the Cabinet's response in the first instance must be based on collective action. In this case collective action depends on how far France is willing to go, as made clear by Sir Samuel Hoare in the conversation reported in my 384, August 20, 11 a. m. I might add that the Foreign Secretary has always emphasized this aspect, as exemplified in his first parliamentary speech on policy: "We are ready and willing to take our full share of collective responsibility, but when I say collective responsibility I mean collective responsibility." But the position that the French will take at Geneva is regarded today here as probably even weaker than the Foreign Secretary realized earlier in the week. In other words France will fulfill the forms of treaties such as to insist on an investigation upon Italy's full statement of her case, but will be unwilling to discuss the question of sanctions either beforehand or at Geneva until actually an act of aggression has taken place.

[64] Hjalmar Schacht, President of the German Reichsbank.
[65] Telegram in two sections.

Thereupon the question arises, how long a time must elapse before defining Italy as an aggressor and a further agreement of sanction arrived at.

In meeting the challenge to Great Britain in the Mediterranean the British Government's first answer must likewise be through the League. In Sir Austin Chamberlain's phrase: "We are prepared fully to fulfill our obligations under the Covenant if others will do the same", England can go a long way with this in openly urging at Geneva that the maximum sanctions of the League be sought against Italy. Even though not adopted, this firm demand for action at Geneva would, for the time being, serve to suffice as England's reply to the present double challenge. Thereafter the present British Government can go before the country and in response to the general demand here for firm action under the League, point out that this has not been possible of achievement under collective responsibility and therefore the Government can ask in a general election authority to bring its military, naval and air force to strength to meet any Empire threat.

There is a growing conviction here that Mussolini is not bluffing and that if measures which interfere with his Abyssinian policy are undertaken, England may be put in a position where she must either take action alone against Italy or accept a passive role temporarily. Undoubtedly England will prepare to meet this in the long run as outlined above, but how far she will be willing to go in immediate measures, the results of which might goad Mussolini further is the point at which Cabinet opinion reportedly is at this moment divided.

Foreign Office stated today 5 million dollars of munitions left Hamburg yesterday for Jibuti.

ATHERTON

765.84/922 : Telegram

The Chargé in the United Kingdom (Atherton) to the Secretary of State

LONDON, August 23, 1935—4 p.m.
[Received August 23—12:48 p.m.]

397. I venture to elaborate on the Cabinet decisions dealing with the immediate future reported in my 392, August 22, 7 p.m.[66] The arms embargo, which is one of those measures, as stated in my 391, August 22, 4 p.m., on which the Cabinet was divided, was not lifted in compliance with strong representations from the French Government that all measures provocative to Mussolini should be avoided as far as possible, prior to the September meeting of the Council. The

[66] Not printed.

French also stressed the point, that since the League cannot impose sanctions until Italy has been named an aggressor the discussion of sanctions at this time was also provocative. From a purely commercial point of view, I understand the French indicated that premature discussion of economic sanctions would also result in the fostering of closer economic ties between Italy and Germany. The British Cabinet accepted this occasion to fall in with the French views; at the same time the immediate offensive of the British Government will be to persuade France that the two nations must really meet this threat together at Geneva, for the reason that if Mussolini's defiance succeeds, a similar defiance by Hitler must follow, and if, in these present circumstances the League is virtually destroyed as a means of meeting such aggression, then British public opinion, which will only permit England to enter European affairs under the aegis of the League, will force a policy of isolation on Great Britain vis-à-vis the Continent, and therefore Great Britain's support to France will be curtailed.

In delegating authority to a special Cabinet group, as announced yesterday, the Cabinet empowered this body, in conjunction with the Committee on Imperial Defence, to make any required rearrangement of forces affecting the fleet, air force and troops, especially since British Mediterranean policy has in the past been predicated on a friendly Italy.

ATHERTON

765.84/935 : Telegram

The Chargé in Italy (Kirk) to the Secretary of State

ROME, August 24, 1935—5 p. m.
[Received August 24—3 : 15 p. m.]

519. Foreign Office officials inform me that the investigation of the facts relating to the Wal Wal incident are proceeding before the Commission, that Politis as fifth arbitrator is waiting to be called in case the Commission fails to agree and that it is expected that the proceedings of the Commission will continue after August 25th.

These officials show no inclination to discuss the general situation following the failure of the conference between England, France and Italy at Paris. They dismiss the proposals made there as to economic concession for Italy, facilities for colonization and military safeguards as inadequate and useless on the grounds that the Ethiopians are incapable of respecting any agreements which are not imposed and backed by force. As regards the diplomatic conversations referred to in the communiqué issued in Paris after the tripartite conference the officials state that exchanges of views are being carried on but they give no indication that these conversations are considered by the

Italians as particularly important. They comment on any sign in England pointing to an attitude more favorable to Italy and refer appreciatively to the attempts of France to reconcile the opposing views. In general their intention seems to be to emphasize the contention that Italy must insist on a solution of the conflict in accordance with her views and that no important developments from a diplomatic point of view are to be expected until the meeting of the League Council on September 4th.

Mussolini is scheduled to leave for the maneuvers today to be absent from Rome for several days.

Cipher to London, Paris, Geneva.

KIRK

765.84/963 : Telegram

The Chargé in the United Kingdom (Atherton) to the Secretary of State

LONDON, August 28, 1935—5 p.m.
[Received August 28—2 : 05 p.m.]

411. The Foreign Secretary sent for me this afternoon and expressed appreciation for the information contained in 219 [*519*], August 24, 5 p.m. from Rome, which he said confirmed the statements Mussolini made to Eden and to Laval. Since the Italians as well as the Abyssinians would present a case before the League, these would have to be evaluated, which might occupy some time, and of course no question of sanctions would arise until an act of aggression had been undertaken. Sir Samuel said that he did not favor a policy envisaging ultimate sanctions at once but was more in favor of the 1921 resolutions of the League [67] for the gradual use of sanctions against an aggressor. However, as to economic sanctions the British Government would not favor their employment until it knew the attitude of neutral countries not members of the League, and certainly until it was satisfied beforehand that the employment of economic sanctions would not conflict with United States policy. The Foreign Secretary felt that the question of application of sanctions might not arise until about the end of September, and that at that time there might well be addressed to League members, and/or signatories of the Pact of Paris, inquiries as to their position in such an eventuality.

The Foreign Secretary had no suggestions to make in the matter beyond advising me, for your information, that that is the trend of events as he foresaw them. He was definite in the opinion that the minute an act of aggression was committed there must be an instantaneous world reaction, particularly since he felt today that the

[67] See League of Nations, *Official Journal*, Special Supplement No. 6 (Geneva 1921), p. 24.

Italian people were not aware of the world's attitude toward Mussolini's policy. The Foreign Secretary felt that the Italian temperament was such that they might undertake the campaign with considerable vigor in the belief of a quick and decisive success, but when they realize an early victory did not necessarily mean the conquest of Abyssinia, the Italian spirit, in his interpretation, would go through successive waves of despondency.

Sir Samuel said he would see me again before leaving for Geneva to keep me fully informed of British policy toward coming events.

ATHERTON

765.84/1036 : Telegram

The Minister in Switzerland (Wilson) to the Secretary of State

GENEVA, September 4, 1935—4 p.m.
[Received 9:45 p.m.]

288. At lunch today I had a conversation with Eden, Lumley (Eden's Parliamentary Secretary) and Strang. Eden states that Chambrun has reported to Laval that Mussolini's attitude seems slightly more hopeful for negotiation.

Eden stated that a number of the representatives of the small states had called on him and without exception had declared themselves in favor of the application of the Covenant. In each case Eden had replied that this assurance was very satisfactory and he hoped it meant that these gentlemen would voice their opinion in public at the meetings. In no case, however, did he receive satisfactory assurance that they would do so. He complained that he could not persuade the small states that they had a real responsibility in carrying out the Covenant nor could he yet disabuse them of the idea that this would be a matter exclusively decided by the Great Powers.

Eden also spoke ironically of the apparent desire of the French to bargain. For instance, in Paris Laval had asked Eden what Great Britain's attitude would be in case of trouble in Austria and had indicated that Eden's reply might have an influence on France's decision in the Ethiopian question. Eden had replied that the building up of the collective action would certainly be a precedent for British future action and that on the contrary if collective action failed British public opinion would be very reluctant to put faith in collective action in future eventualities.

Laval had still pressed him for an answer to his question and Eden had then said: "I am unable to give you an official answer. Do you desire me to put this question to my Government?" Very obviously Laval had then asked him to drop the matter. Eden felt strongly that it would be incredible to pay a price to France to induce France to

carry out its obligations under the Covenant. What Great Britain was working for was even more for the benefit of France than Great Britain and he spoke in a tone of rather humorous exasperation of the possibility of entering into a bargain to build up a system of collective action for which France had pushed them for the past 15 years.

Eden has somewhat the same idea of future procedure as that outlined in my 287,[68] namely, that the Council, acting under article XV, should submit to Mussolini a recommendation based on the offer made in Paris in the tripartite conversations.

In respect to the statement frequently heard to the effect that Laval had given a free hand to Mussolini during the conversations last January, Eden said that shortly thereafter while he was on the way to Rome Laval had told him that he had given Mussolini a free hand as far as France was concerned only in respect to economic measures. On the other hand, Mussolini had told Eden immediately thereafter that "the French had agreed to accord him complete liberty of action in Ethiopia". Eden says he interrupted at this point to repeat what Laval had told him but Mussolini had replied indignantly that the French had given him nothing else of any real value in the conversations and therefore did Eden suppose that he would have declared himself satisfied "with a strip of sand with a couple of flocks on it?" [69]

Eden spoke in tones of the deepest appreciation of your action in having the Socony Vacuum Company to withdraw from the concession. He said that this cleared the air enormously and made him "happier than anything in this dreary situation".

Cipher to London, Paris, Rome.

WILSON

765.84/1033 : Telegram

The Consul at Geneva (Gilbert) to the Secretary of State

GENEVA, September 4, 1935—9 p.m.
[Received September 5—12:59 a.m.]

291. The award of the Italo-Ethiopian Arbitration Commission concurred in by all five members [70] was transmitted to the Secretary General today by Aloisi and Jèze and at the latter's request communicated to the Council. With respect to the Wal Wal incident, the

[68] Not printed.

[69] Presumably a reference to the arid territories in Africa received by Italy from France in accordance with the contingent promise given by France in article 13 of the Treaty of London, April 26, 1915. For text, see *Current History*, March 1918, p. 495.

[70] N. Politis, Greek Minister in France, became fifth member and arbiter of the Commission.

Commission's findings based on a comprehensive 5-page review of the circumstances are as follows:

"(1), That neither the Italian Government or its agents on the spot can be held responsible in any way for the actual Wal Wal incident; the allegations brought against them by the Ethiopian Government are disproved in particular by the many precautions taken by them to prevent any incident on the occasion of the assembling at Wal Wal of Ethiopian regular and irregular troops and also by the absence of any interest on their part in provoking the engagement of December 5th and, (2), that although the Ethiopian Government also had no reasonable interest in provoking that engagement its local authorities by their attitude and particularly by the concentration and maintenance, after the departure of the Anglo-Ethiopian Commission, of numerous troops in the proximity of the Italian line at Wal Wal may have given the impression that they had aggressive intentions—which would seem to render the Italian version plausible—but nevertheless it had not been shown that they can be held responsible for the actual incident of December 5th."

With respect to the incidents following the Wal Wal affair (from December 6th, 1934 to May 25th, 1935) it states that these were of a minor character either accidental or of very ordinary occurrence in the region and that no international responsibility need be involved.

GILBERT

765.84/1048 : Telegram (part air)

The Consul at Geneva (Gilbert) to the Secretary of State

GENEVA, September 4, 1935—10 p.m.
[Received September 6—4:13 a.m.]

292. Consulate's No. 291 September 4, 9 p.m., respecting the Commission's procedures in drawing up its award. I learn in strict confidence from Potter as follows:

1. The Commission after Politis became a member was unequivocally an arbitral body and its findings have the status of an award.

2. The sole witnesses were called by the Italian agent. Jèze did not feel that Abyssinian witnesses would be useful; Potter does not concur in this view.

3. Upon Politis becoming a member of the Commission he presented a draft award which he had apparently been formulating for some time. From that draft the final terms were negotiated. Unanimity in the award was effected by compromise, de la Pradelle and Potter receding from certain positions. In particular they withdrew their position that while responsibility could not be fixed for the Wal Wal incident itself their interpretation of the record was that there existed a general background of Italian responsibility.

4. The pivotal point in the question of responsibility was, however, Politis' thesis that the determination of an aggressor does not derive from the status of sovereignty of an area in question but rather that

an aggressor is a disturber of de facto possession. In this connection, Politis' draft recited that the local Italian authorities believed they possessed sovereignty while de la Pradelle insisted that this should be changed to the present reading to the effect that the Italians believed that they possessed authority.

GILBERT

765.84/1039 : Telegram

The Consul at Geneva (Gilbert) to the Secretary of State

GENEVA, September 4, 1935—11 p.m.
[Received September 5—3 : 54 a.m.]

293. Consulate's 289, September 4, 5 p.m.[71] After the private meeting the Council sat in public with Guiñazu, the Argentine representative, presiding.

The following is a summary of the proceedings:

(1) The President announced that the decision of the Arbitral Commission concerning Wal Wal incident had been delivered, that the five arbitrators had unanimously concurred therein, that the decision had been communicated to the Secretary General and would be distributed at once. He then recalled that the Council had decided on August 3 to meet today to consider the general question of the relations between Italy and Ethiopia [72] and stated that the Council would like to be informed concerning the conversations which had taken place in the interval.

(2) Eden first made a statement concerning the Paris conversations in which he outlined the proposals which had been submitted to and rejected by the Italian Government. He feels that the suggestions made to Italy were of an exploratory nature which did not commit the Governments concerned. The proposals as outlined by Eden may be summarized as follows:

(*a*) While not failing to recognize that the situation of Abyssinia might call for extensive reforms, it was felt that these reforms should be clearly assented to by Abyssinia in the fullness of her sovereignty and without anything being imposed on her contrary to her independence or her integrity.

(*b*) As a member of the League of Nations Abyssinia might appeal to the League for the collaboration and assistance necessary to assure the economic development and administrative reorganization of the country.

(*c*) France, Great Britain and Italy as limitrophe powers would be particularly well qualified to lend this collective assistance either by virtue of a mission entrusted to them by the Council or through a treaty between the three Powers and the Abyssinian Government approved by the Council.

[71] Not printed.
[72] See League of Nations, *Official Journal*, August 1935, p. 967.

(*d*) The work of reorganization was to have extended to economic, financial, commercial and constructional development; foreign settlement; modernization of administrative services; anti-slavery measures and frontier and other police services.

(*e*) The collective character of the assistance would not have prevented particular account being taken of the special interests of Italy.

(*f*) The Powers did not examine but the proposals did not exclude the possibility of territorial adjustments between Italy and Abyssinia.

After the foregoing Eden made a general statement concerning the British position after describing postwar efforts to create a new international order through such instruments as the League Covenant and the Pact of Paris. He said, "It is because His Majesty's Government are acutely conscious of their responsibilities as members of the League, because they are prepared [to] fulfill their share of such responsibilities, that I can assure my colleagues of our most wholehearted cooperation in the difficult task that confronts us. I am sure that all of us as members of the Council of the League must be fully alive to our responsibilities at this time. World opinion is watching us."

He then referred to the successes of the League in the past and recalled the important part played therein by Italy. He emphasized the grave consequences to the League and international order should the League fail in this dispute. He repeated that in this dispute between Italy and Abyssinia there was no question of any political or economic conflict between the United Kingdom and Italy, Great Britain's only concern being as a member of the League and signatory of the Pact of Paris. He concluded as follows: "In the position in which we find ourselves today the nature of the task which lies before the Council is plain. It is our duty to use the machinery of the League that lies to our hand. Let us set it to work forthwith and if we may obtain the loyal collaboration of the two parties to the dispute then we shall not fail to achieve that peaceful settlement which we so earnestly desire."

(3) Laval in a general statement which threw no new light on the French position expressed France's attachment to the principle of collective security and said that he refused to believe that an equitable settlement could not be reached which would give satisfaction to legitimate Italian claims without jeopardizing the essential rights of Ethiopian sovereignty.

(4) Aloisi said he was submitting to the Council a memorandum which contained in detail the numerous reasons why his Government considered that Ethiopia had systematically and openly violated all the conventional undertakings which it had assumed both towards Italy and the League. It was for the same reasons that Italy had been unable to consider the proposals made in Paris. For nearly 50 years Italy had patiently pursued a policy of peaceful collaboration with respect to Ethiopia. This was marked by (*a*), Italian support of Ethiopia's candidacy for admission to the League and (*b*), signature in

1928 of a Treaty of Friendship of long duration and comprehensive nature. Under this treaty Italy had agreed to arbitrate the Wal Wal incident which, even though material proof of eventual responsibility had not been entirely established, had shown the attitude of the Ethiopian Government through the circumstance of a premeditated attack.

He said that Ethiopia had been increasing its armaments and multiplying its hostile manifestations against the Italian colonies any one of which would have justified a resort to war against her. Italy had been patient for a long time but had finally become convinced of Ethiopia's enmity and could no longer remain passive toward a barbarous country incapable of controlling itself or its subjects who threatened the Italian frontiers.

He pointed out that the League Covenant not only provided member states with guarantees but imposed obligations which justified the guarantees. Any other interpretation would provide unworthy states with an asylum incompatible with the security of the rest of the world. The subcommittee which considered the admission of Ethiopia to the League had reported that it had been unable to determine with certainty the extent of the Government's control over the remote provinces and that it could not affirm that Ethiopia's international obligations had in the past been entirely fulfilled. Despite a general belief that Ethiopia was not eligible the Assembly had preferred to show confidence in Ethiopia and Italy had shown its good will by supporting this position. Yet in 12 years there had been no real change in Ethiopia. Its Government did nothing to make itself worthy of belonging to the Community of civilized nations and it even had failed to live up to the obligations which it had undertaken in order to enter the League.

He stated that under the circumstances Ethiopia could not have either equality of rights nor of duties with civilized states. If such an equality had been granted Ethiopia there was no reason why a mistake made in 1923 should be allowed to continue to the prejudice of other states. Italy admitted that it had participated in that mistake and Aloisi here recalled that the Australian delegate had declared that the admission of backward peoples into the League could hardly be justified. He referred at this point to the continuance of slavery in Ethiopia.

Aloisi said that "to pretend that the Members of the League of Nations are obliged to observe the rules of the Covenant in their relations with a member which has always and constantly violates outright those rules is contrary to every principle of right and of justice". He said that his Government "is obliged to declare that Italy would feel deeply wounded in its dignity as a civilized nation if she continued discussions within the League of Nations on a footing of equality with Ethiopia. She refuses in fact to recognize such

equality . . .". Furthermore, Italy could no longer count on the provisions of the Treaty of 1928 to guarantee the peaceful existence of the Italian territories, nor in the case of a country like Ethiopia could she depend upon purely juridical guarantees to safeguard her colonies. In conclusion he stated that his Government reserved full liberty of action to take whatever measures might become necessary for the security of its colonies and the defense of its interests.

(5) Jèze expressed amazement at Italy's indictment of Ethiopia as to which he made an energetic protest. He insisted upon the extreme gravity of such a precedent as discussing in the Council the domestic situation of a nation and of seeking through such considerations a sentence of death. He recalled that as early as January the Ethiopian Government had agreed to arbitrate the Wal Wal incident and to pay any reparation fixed by impartial arbitrators. That incident which had been the sole reason invoked for military preparations had now been definitely settled and Ethiopia absolved of all responsibility. Under the circumstances why has, as pointed out at this point, Italy produced its new indictment, a new pretext invoked against Ethiopia. The Ethiopian Government was naturally not prepared to reply on the instant but time pressed and the Council had to deal immediately with the question of a possible war of extermination breaking out within a few days.

(6) The Spanish delegate while reserving the right to define later the attitude of his Government urged as a matter of principle that contrary to certain defeatist tendencies now evident the League use all the means at its disposal for the maintenance of peace. Pointing out that time was an essential factor he said the procedure of the Covenant must quickly be set in motion and that the Council should not approach its task with the idea that it was faced with an irremediable situation but with the firm determination to safeguard the peace.

(7) While the foregoing to a degree renders explicit the positions of the states most interested, the background afforded by private conversations and the general atmosphere of the situation here does not suggest any necessary finality in these positions or their translation into the action implied.

GILBERT

765.84/1086 : Telegram

The Minister in Switzerland (Wilson) to the Secretary of State

GENEVA, September 9, 1935—6 p.m.
[Received September 9—2:25 p.m.]

293. I have just been informed by an American, in whom I have complete confidence, that he has learned that the propositions pre-

sented to the Italians in the recent tripartite conversations at Paris were not transmitted to Ethiopia at the time but only a few days ago; that the Abyssinian representatives here have today received a reply to the effect that the Negus would agree to these propositions as a basis for discussion under two conditions; (1) that the concessions by Ethiopia would not be made to Italy *qua* Italy but to the League though Italy could profit under them and, (2) that the Negus as a member of the League would have a say in the appointment of the "administrators".

So far as my informant is aware the fact[s] of this reply have not yet been communicated to the powers concerned and still remains a secret in the Ethiopian delegation. I am therefore not repeating this telegram anywhere.

WILSON

765.84/1087 : Telegram

The Ambassador in Italy (Long) to the Secretary of State

ROME, September 9, 1935—9 p.m.
[Received September 9—4:40 p.m.]

563. Following telegram has been received from the Legation at Addis Ababa:

90, September 9, noon. Italian Consulates in Northern Ethiopia have been closed and personnel withdrawn. All wives of Italian Legation officials have departed. Exceptional military activities reliably reported from Eritrean border point to imminence of Italian offensive. Engert.

LONG

765.84/1175 : Telegram

The Minister in Switzerland (Wilson) to the Secretary of State

GENEVA, September 14, 1935—7 p.m.
[Received 8 p.m.]

299. At the end of this week of Assembly discussion and with only two more to come, Monday I shall attempt to present as lucid a picture as possible of a very confused situation.

Here in Geneva I have yet to meet the man who has any real hope that Mussolini will be or can be restrained from initiating hostilities. The French are impressed with Mussolini's state of mind, as reported by de Chambrun, to the effect that in conversation with him Mussolini had damned the British for interference and stated that he was willing to take them on, if they wanted, and could defeat them in the Mediterranean. The only alternative I have heard to opinions of madness regarding Mussolini are ideas of his aims of such a megalomaniac

character with regard to the reconstitution of the Roman Empire as to be, in effect, the same. If it is bluff on Mussolini's part—and no one here now clings to this belief—then it is the most gigantic and expensive bluff in history. Certainly watching this Assembly day by day with the developing possibility of serious resistance on the part of the European states, one finds it difficult to believe that a sane man could continue to take the risk. Rather he would struggle to find the most advantageous way to back down.

Further, nobody in Geneva can escape the conviction that the pressure of a number of factors is bringing League collective action nearer than ever before. It is not so much in the speeches themselves, although they have been in two instances surprisingly clear cut, it is rather in the atmosphere of this past week. There has always been a group in Geneva desirous of effective collective action. Previously this group has been regarded somewhat patronizingly by the more practical minded. Today I have the impression that the former group are no longer to be considered radical. No one who listened to Hoare can escape the conclusion that Great Britain is determined that Italy shall not conquer Ethiopia and is prepared to take the initiative toward collective action when the time comes. It would be rash indeed to attempt to prophesy what will work out, but it is difficult to see what else can happen than a head-on collision.

There is one phase of future development of such possible interest to us that I venture to sketch it. I am, of course, unaware as to whether steps have been taken at Washington but here in Geneva at least no one has seriously raised the question of what America is willing to do in case of sanctions. Those who have talked with me have occasionally announced privately interest in the neutrality bill, particularly as to whether the embargo may include raw materials as well as munitions and in the relationship of the bill to a possible use by the President of some such step as was embodied in Mr. Davis' speech of May 22, 1933.[73] They are conscious that they are bound by contractual obligations in fulfillment of or in direct relationship to the Covenant; they are conscious that the case is one primarily interesting European powers and if force is to be used that they must use it; they are conscious that we neither have such contractual obligations nor such immediate interests. No one has suggested that the United States take the lead in declaring what it will do to facilitate sanctions.

You will remember Eden's statement to me, as reported in my 297, September 13, 11 a.m.,[74] that the British Government did not intend to take this up with us until they had a definite program worked out.

[73] See telegrams from the Chairman of the American delegation at Geneva, No. 644, May 19, 1933, 11 p.m. and No. 646, May 20, 1933, 1 p.m., *Foreign Relations*, 1933, vol. I, pp. 154–159.

[74] Not printed.

This does not mean, however, that at some stage of the proceedings and perhaps in the relatively near future, our position in this matter will not become one of the highest importance. According to our information where sanctions have been discussed at all, only those of an economic and financial nature have been considered. All apparently cling to the hope that military action can, even with sanctions, be avoided. In any form of economic or financial sanctions it will of course become important to know whether the United States will or can cooperate in any fashion since it is obvious that to be effective all possible holes must be plugged.

I am not requesting an opinion on the matter. Indeed it is probably preferable that I have no expression of your views at this moment. But since, in my judgment, there is a real possibility that such a situation as I have sketched above may develop, I consider it essential to bring this to your attention.

Cipher to London, Paris, Rome.

WILSON

765.84/1197 : Telegram

The Chargé in the United Kingdom (Atherton) to the Secretary of State

LONDON, September 16, 1935—9 p.m.
[Received September 16—7:30 p.m.]

447. I called upon Foreign Secretary this afternoon who began by saying that he was supplementing previous conversations (my 411, August 28, 5 p.m. and 384, August 20, 8 p.m.) and that he wanted to give me his recent impressions of Geneva while still fresh in his mind: first, the tenseness of the situation there and, secondly, the increasing desire of the members of the League to meet the issue with a common policy. He added he still regarded Mussolini as mad but he was certain the Duce was not receiving any idea of the English attitude and opinion from the Italian Ambassador in London. The Foreign Minister said definitely that Grandi was only reporting the things he felt Mussolini wanted to hear and described him as "useless". He then went on to say that Mussolini's preparations were almost complete and he was inclined to agree with the Geneva view that Mussolini would take aggressive military action in early October. Thereafter, a council of the League would be held in compliance with article 16 and he foresaw a considerable period of delay in consulting not only the League members but non-League members as to their attitude. He pointed out that the policy of the League members was generally made clear in their statements at Geneva last week, but he particularly added that the Foreign Secretaries of Yugoslavia and Czecho-

slovakia had assured him as to the solidarity of the Little Entente. He added, however, that the Yugoslav Minister had pointed out that Yugoslavia was ready to act "only in concert with other powers".

The Foreign Secretary asked me what I thought of Laval's speech and I gave him my impression, that he was attempting to go as far with the British position and the attitude of Messrs. Herriot and Boncour as possible, while not wishing to destroy the personal relations he had established with Mussolini last year. The Foreign Secretary said he thought the last was very important because frankly he had found Laval a loose talker and while there was nothing written between Mussolini and Laval, he did not doubt for a moment that Laval had left very decided impressions with the Italians as to French policy that the latter were more than willing to believe. However, Sir Samuel stated that the French had made this trip up with the British. France had definitely taken the side of the Covenant and while they were not very willing to define and specify future action, nevertheless, the French had committed themselves to uphold the Covenant. (I could not help but feel, however, from the conversation that the French had not yet committed themselves with the definite ness the British had sought.)

At the time of consulting League powers after an act of aggression non-League powers would also have to be consulted, and, while the Foreign Secretary "made no requests" in the present instance, he said that he was keeping me informed since the attitude of the American Government, as well as other non-League powers, would be asked. Sir Samuel reiterated that the imposition of sanctions would be a gradual one along the lines of the 1921 resolutions. The first question to be posed was whether League members and non-League members would refrain from selling arms and munitions and implements of war to Italy, and, secondly, since foreign exchange was vital to Italy, whether they would also agree to cease purchasing from Italy. The Foreign Secretary said Italy had, in his reckoning, sufficient gold now to carry on a war for 12 to 15 months, but at the end of that period Italian gold would be exhausted and the query arose would Mussolini want to face such a situation if he realized he would be unable to obtain foreign exchange in the meantime. The Foreign Secretary thought an immediate condemnation of Italy by world opinion upon an outbreak of hostilities would tend to shorten an Italian offensive, particularly if in the early stages Mussolini could claim a success sufficient to permit him making a compromise.

In the matter of non-League members and sanctions, in the Foreign Secretary's opinion, Japan and Brazil would not count in the present situation; but the attitude of the United States and Germany was of paramount importance. The British felt the Germans were anxious

not to mingle in the present situation at all, but to maintain as detached an attitude as possible, reserving for the future which way they would lean. Probably Germany would not formally agree to uphold League sanctions, nevertheless he did not believe Germany would adopt a contrary attitude. Besides the question of League and non-League members and sanctions, Sir Samuel said an early appeal to all the signatories of the Paris Pact for consultation must be envisaged as another decisive method of concentrating world opinion, including Germany, against Italian aggression.

He again stressed the fact that he was seeking no statement of policy from the American Government but was forecasting the trend of decisions which must in due course receive consideration generally.

Sir Samuel then stated that although the Italians had a "very mixed bag" of armed forces in Eritrea, an early success, even though it might not be sustained, was probable. He did not anticipate an English-Italian conflict unless Mussolini went completely wild and for example made a hostile demonstration possibly over Malta. The Foreign Secretary said the British Government was strengthening Gibraltar. They were also gradually strengthening the Mediterranean fleet as well as units more especially air units in Egypt. There had not been any increase of the air forces in Iraq. He regarded the recent despatch of Italian troops to Libya as an attempt to intimidate England. He repeated twice: "However, we are not impressed. With as little flourish as possible we shall continue to take those precautionary steps we deem necessary".

The Foreign Secretary again stressed the importance of concentrating world opinion against Italy, not necessarily waiting for an aggressive act but continuously day by day. In this connection, he referred to the Secretary's statement to the press of Friday last [74a] with warm appreciation, and also to the fact that it was issued with the approval of the President. He had knowledge of recent congressional legislation but was convinced that the attitude of the American Government would continue to be so effectively interpreted as to leave no doubt in the Italian mind of the administration's determination to further peace.

At the conclusion of our interview he said that a certain number of British subjects were remaining in Abyssinia, as he supposed indeed American citizens were also. To protect these British subjects the British Government proposed to station a cruiser at Aden, and he could "think of no more efficient promise of security to American lives than if the American Government would adopt a similar policy and also station a cruiser at Aden". (My 427, September 6, 5 p.m.[75])

ATHERTON

[74a] *Post*, p. 746.
[75] *Post*, p. 886.

765.84/1205 : Telegram

The Ambassador in Italy (Long) to the Secretary of State

ROME, September 17, 1935—6 p.m.
[Received 6:50 p.m.]

583. I had a long talk this afternoon with Mussolini. His mind is definitely closed to any compromise of any kind which may be made to him from Geneva or elsewhere. He is definitely and irrevocably determined to proceed in Abyssinia with what he insists upon calling a colonial enterprise. He says as soon as it loses its colonial character the European situation becomes involved and that that brings in complications of a widespread nature which he has no desire to see develop. He says that he has no intention of interfering with anybody but proceeding in his own way to correct abuses and to secure rights in colonies and to have room for expansion. He says, however, that if anybody interferes with him he is prepared and that he has an army of a million men in Italy and that he has a competent fleet and an air force with a certain superiority and that he will brook no interference. He is much exercised, I might even say very angry at even the conversation about sanctions and mentioned specifically the action of France in Morocco, the Chaco affair, Germany's violation of the Treaty of Versailles, the British action 4 years ago in Iraq and Japan's activities in Manchukuo and China, in none of which cases were sanctions involved. He then said with anger "it is only for me and on account of Italy when we wish to rectify wrongs and to have a legitimate expansion that sanctions are sanctions", however, he does not think that sanctions will be invoked nor does he believe that any power will interfere with him. At least he said that. He said that he expects to go upon his road unmolested and that he would not interfere with anybody or with the rights of anybody.

One cannot talk with Mussolini under the present circumstances without being fully conscious of the bold determination and the irrevocable nature of the decisions he has already taken. He is calm, his voice modulated, his manner gracious and his friendly attitude toward the United States unmistakable. I have only been confirmed in the understanding which I have had and which I have frequently recorded in my reports to you that he is absolutely and irrevocably determined on his Abyssinan venture which he expects to terminate, as I understood him, by appropriating a large part of the country and establishing a directorate or a military and political control over the rest.

No Missions informed.

LONG

765.84/1211 : Telegram

The Minister in Switzerland (Wilson) to the Secretary of State

GENEVA, September 17, 1935—10 p.m.
[Received September 18—5:50 a.m.]

303. I had a conversation with Beneš [76] today of which I give the following résumé of the latter's observations. He said that in order to clarify his own thoughts he would like to try to tell me how he weighs probabilities and to give me his best guess as to the future.

Mussolini and Beneš have known each other well since 1918. Mussolini won his way to the front and kept control of Italy through one thing only—his conviction of the innate cowardice of humanity. Mussolini is not an intelligent man but his instincts often lead him to the same results as would intelligence. There are no counsellors whose advice he follows. His actions and decisions are absolutely unpredictable. Hence, the unexpected may happen and Mussolini take a sudden decision which would improve the situation or vice versa. There is another factor which is of real importance, namely, the growing disaffection to Mussolini in Italy. Balbo [77] is against him, so are the King and the General Staff. The Army apparently sees little glory to be gained in this war and tremendous risks to be taken. Balbo is beginning to show his opposition in the hope that he would be Mussolini's successor should the latter fall. Balbo is not man enough to win the succession. It is more likely that the King in the event of Mussolini's fall would summon a group of generals to take over immediate control perhaps only provisionally. What effect this disaffection will have before hostilities begin is problematic. After they are in progress and especially after prolonged hostilities its influence will undoubtedly be felt.

As to League procedure the Assembly cannot continue indefinitely. Presumably hostilities will begin shortly after the meeting closes. The Council will at once be convoked but will probably refer the matter to a special Assembly. This Assembly will unquestionably decide that a violation of the Covenant has been committed and that Italy is the aggressor. Here is where Mussolini's belief in the cowardice of mankind is going to play him false. It does not take much courage to join a band of 50 nations especially if they are given the lead by Great Britain and France. That France will act with Great Britain in the final analysis there is no likeliness of a doubt. After the declaration of the aggressor by the Assembly the Council will meet again to consider the steps to be taken. While the French may make suggestions of further effort towards conciliation the British

[76] Eduard Beneš, Czechoslovak Minister for Foreign Affairs.
[77] Italo Balbo, one of the early Fascist leaders, and a member of the "Quadrumvirate" under Mussolini.

will push for sanctions and will receive such complete backing that sanctions will be applied.

France and England are at present discussing sanctions and are keeping certain other members of the League informed. If sanctions are applied they will be in the nature of economic and financial restrictions. Germany will not march with the League in this matter. On the other hand, Germany will not side with Italy. Hitler meant what he said in his Nurnberg speech about keeping out of trouble which does not concern him. In any case, owing to the difficult financial situations in which both Germany and Italy find themselves with respect to foreign credit and exchange it is very doubtful whether German markets could be of much assistance to Italy. Thus economic and financial sanctions can be quite efficacious without German participation.

Once hostilities have begun and after an Italian victory Mussolini [would?] possibly appeal to France and England to negotiate a settlement using as a point of departure the offer that will be made to Italy by the Committee of Five and claiming something in addition on the strength of his victory. How the great powers would feel about such an offer is problematical but as a loyal supporter of the League of Nations Beneš would never vote for its acceptance by the League. However, if negotiations were carried on by the two powers outside the League of Nations the settlement would be their responsibility and not involve the League as such. It is sincerely to be hoped that the American attitude would not be too discouraging to Great Britain in particular. Hoare had told Beneš that so far the American attitude had been most helpful. This was all to the good and it was to be hoped that when the test came the United States in particular would not feel that it had to stand in the way of what the states of Europe felt they must do.

Cipher to London, Rome, Paris.

WILSON

765.84/1291 : Telegram

The Ambassador in the United Kingdom (Bingham) to the Secretary of State

LONDON, September 21, 1935—1 p.m.
[Received September 21—9:45 a.m.]

462. In the absence of the Foreign Secretary Mr. Sumner Welles [78] and I called on Vansittart yesterday. After some weeks of absence from London I received an impression of greatly increased tenseness and was struck by the emphasis Vansittart gave to the extent British public opinion has consolidated for implementing the obligations of

[78] Assistant Secretary of State.

the Covenant. He believes Italian military operations will begin in the next week and any endeavor to check Mussolini now as hopeless. His hope for the future lies in concerted world opinion against Mussolini once he turns aggressor. This same view was expressed to me by Sir Samuel Hoare before my departure.

In analyzing the increased tension that exists here today I am led to believe (1) it depends partly on uncertainty as to the extent the French consider themselves committed to implement the Covenant and incidentally the British thesis thereinunder, and (2) lest public opinion here become outraged either by some "Maine" incident or moral indignation aroused by Italian methods of warfare. Vansittart expressed doubt of Italy's ability to carry on a war for an extended period owing to the lack of credits and decreasing gold reserve. Germany and Poland however, he believed, were for the time being extending credits to Italy, more particularly in respect of coal purchases.

I very much appreciate your telegram 262, September 20, 11 a.m.[79] just received.

BINGHAM

765.84/1314 : Telegram

The Minister in Switzerland (Wilson) to the Secretary of State

GENEVA, September 23, 1935—1 p.m.
[Received September 23—10:40 a.m.]

309. I had a brief talk with Eden yesterday which contrasts with the relative optimism prevailing. Eden stated that the affair was just as bad as it could be. Rocco of the Italian delegation had called on him Sunday morning and reported to him the "observations" which Aloisi had reported to Madariaga.[80] According to Eden these observations were merely criticism of the "suggestions" and further insistence upon the fact that the suggestions did not provide for the vital necessities of Italy. There was, said Eden, no opportunity offered for further discussion. The Committee of Five could not continually make new advances to Mussolini when he merely repulsed each advance without stating what he wanted. Indeed it was only with the greatest reluctance that some of the members of the Committee of Five went as far as the last suggestions.

But if they could not make a further offer to Mussolini, nevertheless, the moment was one which called for infinite patience and if the matter was at once reported to the Council the machinery of the League might clank along in any direction. It seemed to Eden therefore that the time had probably come to make a final effort to get Mussolini to state with precision and publicly his own demands. Of

[79] *Post*, p. 836.
[80] Salvador de Madariaga, Spanish permanent delegate to the League of Nations.

course, if those demands were the same as those stated in private to Laval and him in Paris they would certainly be unacceptable to the Council.

Although Eden spoke to me entirely on his own initiative and appeared to be thinking out loud, I found him hesitating in his expressions as if wondering how far he could go with me on matters of such vital policy. In view of this, may I suggest that in any conversations you may have on the subject Eden's name be kept entirely out of it.

Cipher to Paris, London, Rome.

WILSON

765.84/1332 : Telegram

The Consul at Geneva (Gilbert) to the Secretary of State

GENEVA, September 23, 1935—10 p.m.
[Received September 24—3 : 01 a.m.]

363. Secretariat this afternoon circulated the reply of the Abyssinian Government to the proposals of the Committee of Five.[81] The following is a summary of this reply.

1. The Abyssinian Government declares its willingness to open negotiations immediately on the basis of the proposals. In this connection it thinks it necessary to explain the interpretation it has given to the suggestions and communications conveyed by the Committee.

2. The Abyssinian Government notes the principles which have guided the Committee, namely, the respect due the independence, integrity and security of all League members, and the necessity of insuring good relations between member states.

3. The Abyssinian Government reiterates its firm resolve to abide by the undertakings it assumed on entering the League especially with respect to slavery and the arms traffic.

4. Abyssinia confirms its application for League assistance and looks upon the Committee's proposals as a favorable reply thereto for which it expresses thanks.

Abyssinia agrees

(*a*) That assistance of the League represents a duty to be performed in consequence of the request freely addressed to the League by Abyssinia in the exercise of her full sovereignty.

(*b*) That this assistance is disinterested and is designed to improve the conditions of the Abyssinian people to develop their natural resources and to enable Abyssinia to live in harmony with its neighbors.

(*c*) That the assistance of the League must be collective and international.

[81] September 18, 1935; for text of proposals, see League of Nations, *Official Journal*, November 1935, p. 1621.

5. The Abyssinian Government notes that the Committee asserts the principle that a scheme of assistance can only be drawn up at the request of the state to be assisted and cannot be put into effect until approved by that state.

6. The Abyssinian Government is highly satisfied at the manner in which the Committee has embodied these principles in its scheme and it emphasizes the recognition of the Emperor's right to reject any adviser not possessing his confidence.

7. Abyssinia approves the plan for reviewing the scheme at the end of 5 years, such review to be affected under the same procedure as it was drawn up, that is, by the League Council at the request of Abyssinia and subject to the consent of Abyssinia before any executive action is taken thereon.

8. Abyssinia may during the negotiations request changes, additions, or deletions to the Committee's proposals.

9. Respecting the Franco-British declaration of willingness to make territorial sacrifices to Abyssinia in order to facilitate territorial adjustments between Italy and Abyssinia the Abyssinian Government states that it is prepared to negotiate such adjustments.

10. The Abyssinian Government notes the intention of France and the United Kingdom in their respective relations with Italy to recognize Italy's special interest in the economic development of Abyssinia but states that as this intention solely concerns these three powers, Abyssinia for its part will carry out all existing international obligations respecting the treatment of foreigners and foreign trade. In case it should conclude any economic agreements with Italy it would respect all existing treaty rights.

11. The Abyssinian Government reiterates its readiness to open negotiations immediately.

GILBERT

765.84/1395 : Telegram

The Chargé in Ethiopia (Engert) to the Secretary of State

ADDIS ABABA, September 25, 1935—9 a.m.
[Received 9:50 a.m.]

101. Legation's 98, September 23, 9 a.m.[82] The Emperor sent me last night the full text of the Geneva proposal[83] which he had only received that morning and requested me to come to the Palace this afternoon.

His Majesty desired you to be informed that he was prepared to accept the proposal of the Committee of Five in principle simply because he wanted to carry conciliation to the utmost. There were, he

[82] Not printed.
[83] League of Nations, *Official Journal*, November 1935, p. 1621.

felt, a number of points which required elucidation and probably modification but the report could be used as a basis for discussion. All would depend on the spirit in which its provisions were ultimately applied and how big a role Italy would claim to play under them. He intimated that at first while the Ethiopian people were still thoroughly aroused only a small share could be accorded to Italians but if the latter behaved themselves and showed good faith it might be increased later.

To my question whether he had received any news from Rome since the rejection of the proposal by Italy, the Emperor replied that he got the impression from the tone of Italian official and newspaper utterances that Mussolini had perhaps become a little less intransigent. He then spoke with considerable warmth of feeling of the service Great Britain had rendered not only to Abyssinia but to the whole world by letting it be known that she would uphold the principles of the Covenant and of the Paris Pact and he added that in this respect her hands were then strengthened by the moral support of the United States. The Emperor concluded by saying that to prove his good faith he had today invited the League to send at once observers to Ethiopia to prevent the possibility of border incidents pending the outcome of negotiations in Geneva or elsewhere.

ENGERT

765.84/1397 : Telegram

The Consul at Geneva (Gilbert) to the Secretary of State

GENEVA, September 26, 1935—10 a.m.
[Received 11:08 a.m.]

376. May 221, June 21, 11 a.m. The Secretary-General has circulated the text of a telegram addressed to him yesterday by the Emperor of Abyssinia, of which the main points are the following:

The telegram begins: "We ask you to submit the following to the Council". It then states that in order that there might be no doubt as to the aggression in case of hostilities, the Abyssinian troops were several months ago withdrawn 30 kilometers from the frontier. Reference is made to Abyssinia's "previously informed [*sic*] request for the despatch of impartial observers to establish the facts in regard to any aggression or other incident that might occur in order to fix the responsibility therefor." In conclusion, the Emperor asks "that the Council should take any other precautions it may think advisable" (Consulate's 375, September 26 [*25*], 6 p.m., 6th paragraph [84]).

The British inform me that this communication was sent at their suggestion as indirectly strengthening the Abyssinian position but that it is not designed that the Council take action thereon.

GILBERT

[84] Not printed.

765.84/1403 : Telegram

The Chargé in Ethiopia (Engert) to the Secretary of State

ADDIS ABABA, September 26, 1935—11 a.m.
[Received 5:10 p.m.]

102. Legation's 101, September 25, 9 a.m. From my conversation with the Emperor as well as remarks made by the Minister for Foreign Affairs and other officials, I gather that the concentration of British forces in the Mediterranean has made a most profound impression here. It is looked upon as the first serious attempt to endow the League with adequate power and to demand strict application of the Covenant. Courage of Great Britain in making preparations to apply sanctions, even at the risk of giving offense to Italy, is greatly admired and her prestige has never stood higher. Friendly helpfulness of British Legation here and of Foreign Office from the very beginning of the crisis a year ago and their strenuous efforts not only to gain the support of France but also to mobilize world opinion in favor of conciliation are felt to have borne fruit. It is of course perfectly well understood that England is realistically conscious of her own vital interests as a world power in connection with this dispute but the fact remains she has also shown keen appreciation that the real issues back of the present emergency far transcend the Abyssinian question.

Reports from Rome are considered to indicate that British firmness has already had a deterrent effect on Mussolini which in turn has changed atmosphere of intense pessimism in this capital to one of cautious optimism. Ethiopia is conscious of her strong diplomatic position but is naturally reluctant to show her hand prematurely in the impending negotiations. There is a curious undercurrent of apprehension lest Great Britain, in her eagerness to prevent hostilities and yet keep Italy in the League, go too far in devising semi-political and territorial compromises which Ethiopia might be unable to accept. However, the Emperor probably feels that in this the gravest emergency in his country's long history he has placed its fate into the hands of the collective conscience of the world and is ready to make any sacrifices that can reasonably be expected of him.

ENGERT

765.84/1442 : Telegram

The Consul at Geneva (Gilbert) to the Secretary of State

GENEVA, September 28, 1935—10 a.m.
[Received September 28—8:15 a.m.]

389. Consulate's 386, September 27, 5 p.m.[85]

2. The following telegram was sent last night by the Secretary General to the Emperor of Ethiopia.

"Committee of the Council has taken note of Your Majesty's decision to withdraw Ethiopian troops to 30 kilometres from the frontier and appreciates the spirit in which this decision has been taken. The Committee, considering with the most careful attention your request for despatch of impartial observers, is examining whether the actual circumstances would permit them to discharge their mission."

GILBERT

765.84/1451 : Telegram

The Chargé in Ethiopia (Engert) to the Secretary of State

ADDIS ABABA, September 29, 1935—9 a.m.
[Received September 29—6:12 a.m.]

104. I am reliably informed that unless Ethiopia receives assurances from the League or the Powers within a day or two that Italy will be restrained by force if necessary, the Emperor will order a general mobilization which may have the gravest consequences but for which he will decline all responsibility.

ENGERT

765.84/1458 : Telegram

The Consul at Geneva (Gilbert) to the Secretary of State

GENEVA, September 30, 1935—10 a.m.
[Received September 30—10 a.m.]

400. There has been circulated the following telegram dated September 28 addressed to the President of the Council by the Emperor of Abyssinia.

"Firmly and constantly resolved upon peace Ethiopia will continue to collaborate with Council for pacific settlement in accordance with the Covenant. Would however draw Council's most serious attention to increasing gravity threat Italian aggression owing to continual despatch reenforcements troops and other preparation despite our

[85] Not printed; but see Consulate's telegram No. 376, September 26, 10 a.m., p. 658.

attitude. Earnestly beg Council to take as soon as possible all precautions against Italian aggression since circumstances have been such that we should fail in our duty if we delayed any longer the general mobilization necessary to ensure defence our country. Our contemplated mobilization will not affect our previous orders to keep our troops at a distance from the frontier and we confirm our resolution to cooperate closely with League of Nations in all circumstances."

GILBERT

765.84/1477 : Telegram

The Ambassador in Italy (Long) to the Secretary of State

ROME, September 30, 1935—7 p.m.
[Received September 30—4 : 05 p.m.]

630. I had a long talk with Suvich this evening. Without attempting to quote his words I will summarize his pertinent statements.

1. Italy was very much disappointed at the report of the Committee of Five in that it did not afford Italy any opportunity to accept it. He strongly intimated that Italy would have been willing to modify her position even to the extent of recognizing the continuing existence of the original state of Ethiopia if Italy had been given control over those other parts of the country which he insists upon calling the "colonies" of Ethiopia. However, the proposal as made could not be accepted by Italy.

2. Italy has no present intention of withdrawing from the League of Nations.

3. Italy expects to continue on her way in East Africa.

4. Italy expects to be adjudged the aggressor because the attitude of the League of Nations seems to be hostile to Italy and unreasonable toward her and probably will continue so in spite of the general mobilization announced by the Negus.

5. If and when Italy is adjudged an aggressor, he rather expects the application of mild sanctions.

6. He expects Italy to continue as a member of the League even in the case of the application of mild sanctions provided there are no complications in their enforcement.

7. The position of Italy after complications would depend entirely upon the manner in which the complications occurred and the parties responsible therefor.

8. Italy does not expect the application of military sanctions.

9. In case military sanctions should be applied Italy would withdraw from the League.

10. Italy thinks that conversations at Geneva are finished and that if any other conversations are to be started it will be after Italy finds herself on Ethiopian territory. I asked whether those conversations would be after some fighting had occurred, meaning thereby to suggest the thought that they might make a short advance and then halt for negotiations. He replied that he thought that any such negotiations would be carried on during the fighting leaving the distinct impression that they intended to proceed right on their way and he thus prevented

my assumption that they would make a short incursion and stop to talk it over.

There is no indication of any willingness to compromise, change their plans or retard their preparations. On the other hand the contrary is true.

Suvich talked about buying from Germany, Japan and the United States in case economic sanctions were applied. These states being without the League would not be bound by sanctions. He commented on the possible complications to follow the stoppage of a ship belonging to either of those three to be searched by an English ship and added facetiously that Italy was now a strong supporter of the doctrine of freedom of the seas.

Repeated to Geneva.

LONG

II. Italian invasion of Ethiopia; efforts of the League of Nations and of France and the United Kingdom to end hostilities, October–December, 1935

765.84/1501 : Telegram

The Consul at Geneva (Gilbert) to the Secretary of State

GENEVA, October 2, 1935—5 p.m.
[Received October 2—1 : 40 p.m.]

408. Secretary General has formally circulated the following telegram dated today which he has received from the Emperor of Abyssinia.

"We inform you for communication to Council and states members that Italian troops have violated Ethiopian frontier in region south of Mount Moussa Alli, Province of Aussa, between that mountain and the frontier of Ethiopia and French Somaliland and have established themselves in Ethiopian territory preparing base for extensive attack. Proximity to sea in this region and its easy access through territory of French Somaliland make it possible for Council either to send observers or to obtain confirmation of this violation of Ethiopian territory through Government of French Somaliland."

GILBERT

765.84/1528 : Telegram

The Consul at Geneva (Gilbert) to the Secretary of State

GENEVA, October 3, 1935—2 p.m.
[Received October 3—11 : 58 a.m.]

411. A communiqué has just been issued by the Secretariat giving the following communication dated October 3rd to the Secretary General from the Ethiopian Foreign Minister.

"Please communicate to Council and States Members: Telegram received this morning October 3rd from Ras Seyum informs Imperial Government that Italian military airplanes this morning bombarded Adowa and Adigrat making numerous victims among civilian population, women and children and destroying numerous houses. Battle at present taking place in Province of Agame. These facts occurring in Ethiopian territory constitute violation of Empire frontier and breach of Covenant by Italian aggression."

GILBERT

765.84/1551a: Telegram

The Secretary of State to the Ambassador in the United Kingdom (Bingham)

WASHINGTON, October 3, 1935—4 p.m.

281. Papers today carry following article by William Hillman, Universal Service correspondent:

"Britain today offered France a military alliance to safeguard France's German frontier against 'all attacks' in exchange for French support of League of Nations sanctions against Italy and use of Toulon, Manse [*sic*], as a Mediterranean naval base for the British fleet.

"This momentous proposal to the French Government, which long has demanded British guarantees of French security against Germany, was agreed to by the British cabinet in full session at 10 Downing Street even as Mussolini mobilized the Italian nation to signalize the crossing of Italian armies from Eritrea into the African no man's land fringing Ethiopia."

Department wishes any information you have concerning this news.

HULL

765.84/1550

The Consul at Geneva (Gilbert) to the Secretary of State

GENEVA, October 4, 1935—9 a.m.
[Received October 4—6:58 a.m.]

414. Consulate's 411, October 3, 2 p.m. A further communiqué was issued last night giving the text of another telegram from the Abyssinian Foreign Minister to the Secretary General. The text reads:

"Continuation our previous telegram, four Italian military airplanes this morning bombarded Adowa open town, throwing first bombs on hospital bearing Red Cross emblem. Second bombardment carried out at 10 o'clock by two airplanes. Up to the present time 78 projectiles have been counted."

GILBERT

765.84/1554 : Telegram

The Consul at Geneva (Gilbert) to the Secretary of State

GENEVA, October 4, 1935—11 a.m.
[Received October 4—10 : 45 a.m.]

415. Consulate's 408, October 2, 5 p.m. A further communiqué has just been issued by Secretariat giving the text of another telegram dated October 3 from Suvich [86] to the Secretary General. The text read as follows:

"I have the honor to refer to the telegram from the Ethiopian Government received on the 2nd instant by the League Secretariat. According to this telegram Italian detachments have crossed the frontier south of Mount Mussa Alli in the Sultanate of Aussa. In this connection the Italian Government has the honor to state that apart from the fact that in the region in question the frontier between Eritrea and the Sultanate of Aussa has not yet been delimited, no military movement of Italian detachments has taken place in that region. The report in question is thus entirely unfounded."

GILBERT

765.84/1583 : Telegram

The Minister in Switzerland (Wilson) to the Secretary of State

GENEVA, October 5, 1935—10 a.m.
[Received October 5—9 : 15 a.m.]

316. Your 185, October 4, 3 p.m.[87] While the Council was summoned to Geneva for this morning no meeting has been set thus far. It may be that a formal meeting will not be called until early next week to give occasion for private exchange of views in the meantime. Thus the matter is too fluid to predict as yet what will happen. If by the end of the afternoon I have a more definite opinion on the subject I will telephone as you suggest.

It is a trite under-statement to say that the situation is ticklish. Even the matter of a decision of the existence of a state of war in Ethiopia may give rise to considerable discussion in the Council if the subject is raised. Therefore an immediate proclamation by us of an outbreak of war or of a state of war might influence the decision of the Council and involve us in responsibility for the course of action which they adopt. Furthermore, the application of the neutrality resolution by us at this stage before the rest of the world has pronounced on the question might invite complications which would bring about a condition which the neutrality bill itself was designed to avoid. I respectfully submit that unless there are reasons to the contrary of which I am unaware you may think it advisable to delay action

[86] Fulvio Suvich, Italian Under Secretary of State for Foreign Affairs.
[87] *Post*, p. 793.

until the League has taken a position or at least until we ascertain more accurately which way the states over here are going to jump.

Cipher to London, Paris, Rome.

WILSON

765.84/1590 : Telegram

The Consul at Geneva (Gilbert) to the Secretary of State

GENEVA, October 5, 1935—1 p.m.
[Received October 5—10 : 45 a.m.]

423. A communiqué has just been issued giving the text of the following telegram from Suvich to the Secretary General dated October 5.

"I have the honor to inform you that the reports from Ethiopian sources concerning bombardments by Italian aircraft of inhabited areas causing victims among the civil population and of a Red Cross hospital at Adowa are devoid of all foundation. All that happened was that a few Italian airplanes on a reconnaissance flight having encountered heavy fire from anti-aircraft batteries and rifles dropped a few bombs on parties of soldiers. It should also be pointed out that there is no Red Cross hospital or ambulance at Adowa. There was one Italian ambulance which discontinued its work on the departure of our Consul."

GILBERT

765.84/1603 : Telegram

The Chargé in Ethiopia (Engert) to the Secretary of State

ADDIS ABABA, October 5, 1935—2 p.m.
[Received 5 : 50 p.m.]

112. All remaining Italian subjects except 44 missionaries in the interior left by train this morning. Police arrangements at the station were excellent and no confusion. Not one Italian has been molested since hostilities began.

Count Vinci tells me his Consul from Dessie, who arrived yesterday by mule caravan, also spoke highly of treatment he had received en route.

I mention the above chiefly to show that central authorities seem to have situation well in hand.

Vinci is still without instructions. He says that if he should be handed his passport or be recalled he would ask for permission stay until two remaining Consuls arrive from the interior. He and Italian Legation staff are allowed to move about freely but have been given armed Ethiopian bodyguards for their protection. Meeting of Diplomatic Corps this morning, which was attended by the Italian Minister,

decided that the general situation does not so far require any action on its part.

Vinci said he had received no intimation as to which Power would be requested to protect Italian interests in the event of a severance of diplomatic relations.

ENGERT

765.84/1640 : Telegram

The Consul at Geneva (Gilbert) to the Secretary of State

GENEVA, October 7, 1935—10 p.m.
[Received October 8—12:26 a.m.]

442. A communiqué was issued this afternoon giving the following text of a telegram dated October 7 from the Ethiopian Foreign Minister to the Secretary General:

"Italian troops escorted by 20 airplanes entered Aduwa yesterday without resistance after taking Adigrat. Our troops which were outside the town of Aduwa are still there. All engagements hitherto have been with our frontier guard and small isolated detachments. Our troops have not yet gone into action. Italian aggression, in preparation for several months against Ethiopia which has been systematically refused arms for its defense, has thus been carried into effect in a district where the frontier has been clearly defined by the treaties and is therefore indisputable."

GILBERT

765.84/1668 : Telegram

The Consul at Geneva (Gilbert) to the Secretary of State

GENEVA, October 8, 1935—6 p.m.
[Received October 8—2:45 p.m.]

450. There has just been made public a communication dated today from the Abyssinian representative to the Secretary General of which the following is a translation made by the Consulate:

"Under instructions from my Government I beg Your Excellency to be good enough to communicate to the members of the Council and of the Assembly the following declaration:

In spite of the unprovoked aggression of which Ethiopia has been the victim on the part of the Italian Government and of the unjust war which, without any declaration or justification whatsoever, is imposed on her, the Ethiopian Government has resolved to permit the Minister of Italy and his collaborators to continue to reside in Addis Ababa. Whatever might have been the inconveniences of this situation the Ethiopian Government wished to give the League of Nations another proof of its loyalty, its sincerely pacific sentiments and its spirit of conciliation. For this authorization, which without

doubt has no precedent in the history of the world, one sole [condition?] was made. This was that the Minister of Italy not take advantage of the generous hospitality extended him to make use of the radio station in his possession and to create internal difficulties for the Ethiopian Government.

The Ethiopian Government deeply regrets having to conclude that the engagement undertaken has not been kept. The Italian Legation at Addis Ababa is a center of espionage and a shelter for intrigues and plots against Ethiopian public order.

Under these conditions, at a time when the legitimate defense of the Empire is rendered more difficult by the attitude of the Italian Minister, the Ethiopian Government is absolutely obliged to invite the Minister of Italy and the entire personnel of the Legation to leave Addis Ababa and Ethiopian territory immediately.

The Ethiopian Government will take all necessary measures to the end that this departure take place in the conditions of courtesy practiced by the most civilized states, that the protection of the public authorities shall be assured to the Minister of Italy and his staff on Ethiopian territory and that the security of the archives of the Legation shall not be prejudiced."

GILBERT

765.84/1711 : Telegram

The Ambassador in Italy (Long) to the Secretary of State

ROME, October 9, 1935—7 p.m.
[Received 9: 23 p.m.]

686. In case the Italo-Ethiopian plan is not settled at Geneva you should be prepared for a possible sudden outbreak of hostilities between Italy and England. Even if the final resolution at Geneva should permit each member to take such steps to enforce sanctions as that member deems appropriate and should so permit England to operate under the guise of League authority, the struggle would still be between England and Italy and the world would soon imagine it as such.

I am not one of those who discount the effectiveness of Italy in the Eastern Mediterranean. There is no doubt Mussolini has a definite confidence in his army and in his air corps. He, no doubt, realizes the inferiority of his fleet compared ship for ship with that part of England's fleet now in these waters, but neither he nor anyone else knows the effective possibilities of heavy fast bombers with modern explosives operating against vessels of war.

The position of Italy is concentrated and strategic. Only 90 miles separate Sicily from Tunis. Halfway across the Italians have the strongly fortified Island Pantelleria and on Sicily they have strong air bases. With those two features and their considerable superiority in submarines, Italy could conceivably cut the Western from the Eastern Mediterranean. She would immediately commence opera-

tions against Egypt, advancing on Alexandria and Port Said from Libya and detach part of her forces now in Western Eritrea to operate against Khartum. The English would have difficulty in replenishing their forces in Egypt—at least during some months—for her transports would have to pass the Sicily-Tunis barrier. In the meantime, the Italian air bases in Libya, the Dodecanese Islands and Southern Italy would be flying at the British ships while the Italian Navy would be temporarily in a defensive operation waiting till and hoping for the sinking of a sufficient number of British ships so that Italy would have a superiority. It is also probable that Greece would be a battle ground to establish air bases.

The Italian fleet is now one-third in the Dodecanese, one-third in the Taranto, and one-third in Northern Sicily. The British fleet is three-quarters in the Mediterranean and one-quarter in the Red Sea.

The superiority of the British fleet and the known quality of British naval personnel is generally recognized. But one is apt to forget that the Italy of today is quite a different thing from the Italy of the past. They have been worked up to a fever heat and have a deadly hatred of England whom they see now athwart their path to success in East Africa and whose control of their neighboring waters is deeply resented. The Italians will be fighting for life and will demonstrate in action the fervid attachment they feel for a cause which to them has many of the motivating influences of a religious fervor. Youth will coolly contemplate certain death in many an effort to cripple the sea power of the antagonist whose warships block their advance.

No one can visualize this who has not lived in this new Italy, known these leaders, realized their determination and their desperation and understood their spirit. Italy is today a veritable war machine 40,000,000 strong directed by something akin to genius and committed to that leadership with an unanimity, a fervor, and a fanaticism almost incredible. Most reports of dissensions and anti-Fascist strength are of British origin and should be discounted 90 percent. The nation is organized throughout and its armed forces are equipped with every modern apparatus. It is a dangerous enemy today for any nation to tackle and while the resources of the British Empire must be counted in the long view a deadly stroke might be delivered against it in the first stages.

Considering their strategic position, their concentrated organization, their modern equipment and their fanatic adherence to a leader who represents their national aspirations and their continuing economic existence, they cannot be easily dismissed even in conflict with the British fleet. The internal groups in Egypt are not so loyal as painted by the British but even if they were loyal to that extent the Italians are flanked on Egypt and on the Sudan in numbers and with

equipment sufficient to constitute a definite present superiority and a continuing superiority over anything the British could produce in land forces for months to come.

It is easily conceivable they could penetrate to the Canal in which case England's fleets would be hopelessly separated.

So that while Italy may be inferior in some respects, on the local sea they have a definite superiority in the air and on land both in Europe and in Africa and they are in a position from which they may achieve a success at least temporary and which might be prolonged by virtue of any control over the Suez Canal.

There are constant references in the Italian press and in the papers of other European countries to the close cooperation between the United States and England. The attitude of the American Government in the present circumstances is ascribed to a desire to cooperate with England but I think we must consider the probability of a definite conflict between Italy and England when our neutral policy will begin immediately to operate vis-à-vis England as well as continue vis-à-vis Italy. And considering this probable future development we might complicate our position if we failed to adopt toward England the same attitude we have adopted toward Italy. Considerations of neutral policy would suggest that we act so promptly in the matter that it would leave no implication of partiality nor establish a position which might be construed as lacking in neutrality. I venture to bring this whole view to your attention and to suggest that your contemplation of the entire problems include the very definite possibility that Italy may emerge from it all in at least temporary control of the Eastern Mediterranean and of the Red Sea and the Suez Canal.

The potentialities of the situation suggest the possibility of our having to deal on a friendly basis in the future with a much more important Italy.

This is not a prediction. It is only a survey. It is presented for your consideration in connection with the war now progressing as well as in connection with the characters aspiring to suddenly spring into being. At the same time, I desire to submit that while the action of Italy in the present conflict is in violation of a covenant to which the American Government is a party (The Kellogg Pact) a conflict between Italy and England would be a violation of the same treaty by both parties. Whereas the American Government would have enjoined upon it the policy of neutrality resolved by the Congress a prompt announcement of its position such as was done at the beginning of the Italo-Abyssinian war would help to relieve us of the charge of partisanship now generally circulated and which would be given substance and possibly construed as an unfriendly attitude if we withheld or delayed the announcement.

LONG

765.84/1720 : Telegram

The Chargé in Ethiopia (Engert) to the Secretary of State

ADDIS ABABA, October 10, 1935—3 p.m.
[Received 8:40 p.m.]

121. Italian Minister informs me that he received this morning a note from the Ethiopian Government requesting him to make preparations for his early departure. He is accused of using his radio for transmission in violation of his promise not to do so. Vinci denies the accusation categorically and states that since October 3 he has used it only for the reception of messages about which nothing had been said.

He has just shown me his orders from Rome to depart with his personnel but without any indication as to which Legation would be requested to look after Italian interests.

Since my 112, October 5, 2 p.m., one more Italian Consul has arrived safely and without the slightest incident. Only one now remains and the Minister will endeavor to await his arrival too.

ENGERT

765.84/1753 : Telegram

The Consul at Geneva (Gilbert) to the Secretary of State

GENEVA, October 11, 1935—midnight.
[Received October 11—9:45 p.m.]

481. In view of the circumstance that the constitution of the Committee on Coordination (sanctions committee) is without precedent, it may be helpful to present certain considerations in regard to its character. The Department will have noted that the Council and the Assembly in considering the conclusions of the Council Committee of Six in regard to Italy's resort to war in disregard of her obligations under the Covenant have proceeded on the basis that the obligations of League members with respect to the application of sanctions are obligations devolving directly on each individual state from article 16 of the Covenant and consequently that the responsibility for a decision entailing sanctions as a result of the *ipso facto* provisions of that article and the responsibility for the application of such sanctions likewise fall on each state individually. The Committee on Coordination therefore is not considered as a League organ in the constitutional sense of the term but rather as a conference of states members to coordinate their action as individual states.

In addition to this procedure, thus having a juridical basis, it affords from the League point of view the following advantages:

1. It obviates complications as to whether the Committee's report should be submitted to the Council or to the Assembly and likewise

any objections as to an infringement of the League's rules of procedure or other technical matters which might be brought forward by Italy or some other state.

2. It permits the exclusion of Italy and Abyssinia for participation in the Committee's work.

3. It permits states to take a position which may be considered as not entirely in harmony with the Covenant without affecting their status as League members, as for example, Austria and Hungary.

4. With respect to Italy, it permits Italy to remain in the League in line with the policy of France and Great Britain (Consulate's 447, October 8, 3 p.m. penultimate paragraph [88]).

5. The idea has also been advanced that it would facilitate the participation of non-League states.

In regard to this last point, although it revives corridor discussion of the matter here, I have learned of no further developments in regard to the possibility of an invitation being extended to the United States.

As regards the character of the Committee, I may point out in this connection that when the Committee was constituted Beneš said: "It is as it were a kind of conference of states members meeting to consult together with a view to applying the provisions of article no. 16 of the Covenant of the League of Nations."

GILBERT

765.84/1779 : Telegram

The Chargé in Ethiopia (Engert) to the Secretary of State

ADDIS ABABA, October 12, 1935—noon.
[Received 9:40 p.m.]

125. My 121, October 10, 3 p.m. Sensational development occurred when Count Vinci, the Italian Minister, refused to leave this morning by the special train provided by the Ethiopian Government. After waiting over 2 hours the train was despatched with Legation personnel and baggage. Second Secretary tried to escape to the Italian Legation but was caught and put on the regular train which left shortly after the special.

In the meantime it was found that Vinci and the Military Attaché had locked themselves in at the Italian Legation and absolutely declined to come out. The Emperor is said to have issued orders that he is to be removed by force if necessary.

In the absence of more definite instructions, the Italian Minister yesterday turned his Legation over to the Diplomatic Corps through the Dean who has for the past week in vain been trying to dissuade

[88] Not printed.

Vinci from carrying out his intention of remaining until the last of his consular officers had arrived from the interior.

His theatrical gesture is not only considered totally unwarranted in view of the fact that Italians have been extremely well treated but very undignified and calculated to injure the prestige of the entire Diplomatic Corps.

ENGERT

765.84/1778 : Telegram

The Chargé in Ethiopia (Engert) to the Secretary of State

ADDIS ABABA, October 12, 1935—5 p.m.
[Received October 13—6 : 12 a.m.]

126. My 125, October 12, noon. Italian Minister has just been removed from his Legation and is being held virtually a prisoner by the Ethiopian Government.

ENGERT

765.84/1776 : Telegram

The Chargé in Ethiopia (Engert) to the Secretary of State

ADDIS ABABA, October 13, 1935—3 a.m.
[Received 9 : 40 a.m.]

127. My 126, October 12, 5 p.m. Another special train was provided for the Italian Minister at 10 o'clock this morning but again he refused to go.

I am reliably informed that Vinci had a nervous breakdown and threatened to commit suicide. He is reported to have said that he felt largely responsible for the apparent failure of Italy's policy in Ethiopia.

ENGERT

765.84/1806 : Telegram

The Chargé in Ethiopia (Engert) to the Secretary of State

ADDIS ABABA, October 14, 1935—2 p.m.
[Received October 14—2 p.m.]

129. My 125, October 12, noon. In view of Italian Minister's condition the Emperor has decided to permit him to remain until the expected consular agent arrives which should be in a few days. Vinci and his Military Attaché occupy a house which was put at their disposal on October 12th.

I cannot speak too highly of the police protection afforded him throughout this deplorable incident and the consideration and dignity with which he has been treated by the authorities.

ENGERT

765.84/1814 : Telegram

The Consul at Geneva (Gilbert) to the Secretary of State

GENEVA, October 14, 1935—5 p.m.
[Received October 14—4 p.m.]

497. Consulate's 481, October 11, noon [*midnight*]; and No. 484, October 12, 2 p.m.[89] I feel it to be desirable to present certain features of the situation here respecting the matter of the application of sanctions. I beg to recall that action taken in the Committee of Coordination and in the Committee of Eighteen is in a peculiar sense not action taken "by" these bodies. There is no voting in the usual sense of the term. Consent to a definitely formulated proposal is an independent action of each government concerned. The common bond in the procedures is that of separate and direct obligations under article 16 of the Covenant. The object of the procedures is entirely a practical one, the governments concerned voluntarily undertaking to coordinate their action. In theory one government alone could apply any of the sanctions enumerated in article 16. In practice however, as the studies of this article made in 1921 show, it has been felt that a failure to attempt to coordinate the fulfillment of obligations under article 16 would lead either to chaos or to no action whatsoever. Moreover consideration was also given to the circumstance that any action thus taken by an individual state would present the aspect of a hostile attitude toward the delinquent state rather than the execution of an obligation based on a common law. On the other hand, while united deliberations serve to promote common action in an orderly manner they at the same time provide an opportunity to any government acting with other governments to promote its own internal or external policies. The present serious differences which have arisen between the French and the British over the matter of "export" or "import" sanctions may be regarded as a case in point. There is thus a great deal of political activity in progress. Doubtless also direct diplomatic efforts are similarly in progress in many capitals.

A peculiar characteristic of positions taken here as I have had occasion to observe over a long period is that governments will very readily take positions in principle. This tendency is intensified in the present instance where the whole character and future of the League is regarded as definitely at stake. Thus running through the entire problem aside from the merits of the particular case and the desire to preserve the peace is also a desire to preserve the League or, as it has been frankly expressed to me by certain delegates, a desire to save its face.

[89] Latter not printed.

There is no definite way of ascertaining to what extent governments will be able to carry out the undertakings given here due to constitutional difficulties and the necessity for preparatory legislation or whether in giving such undertakings they have the intention of even endeavoring to carry them out. I point out however, that the "proposals" thus far adopted by the governments constitute definite commitments stated in categorical terms.

In view of this situation while I transmit such information as I can obtain here which seems to me to be of importance respecting the pertinent policies of various states I should say that the best source at present for information regarding such policies is in the respective capitals.

With reference to the Department's telegram 118, October 11 [*12*], 2 p.m.,[90] concerning the position of Poland, I shall endeavor to obtain what I can but my present reply is that I have no sound information other than Poland's apparent reluctance, which I have previously reported, to make commitments and the general enigmatic character of her attitude.

The present aspect is that of hastening the procedures. I have the impression that the objective is to obtain as many acceptances to as effective proposals as possible. I presume that shortly the responses of the governments giving the "measures" taken will begin to come in. I note that the procedure now adopted respecting this is that the Secretary General is formally transmitting the proposals to the League governments and that responses will be addressed to him for transmission to the Committee of Coordination. It seems to be felt here that a reason for the delay in these responses is the bargaining which is in progress between the powers. I feel moreover that these responses may be accompanied by reservations, a type of reservation being, as was the case in the affair of the Chaco, that action will be made conditional on that of other powers. Further complications in this matter are the questions raised by certain governments respecting "compensation", a rather extended interpretation in respect of this having been placed on paragraph 3 of article 16.

I think it may be said in general that as the work progresses and as the sanctions proposed become more drastic in nature the difficulty of obtaining universal or substantial agreement will probably increase and that question may then arise as to how far the states who favor stronger sanctions will decide to apply them. The most important factor in this is still seen as to the degree of agreement which may be reached between Great Britain and France.

As to the concrete problem of the actual application of effective sanctions I find no expression of opinion here which seems to me to

[90] Not printed.

be based on sufficiently sound grounds to admit of even the remotest forecast. I also feel that the ultimate effects of the applications of sanctions on the course of international trade can only be a subject of pure speculation.

GILBERT

765.84/1823 : Telegram

The Ambassador in Italy (Long) to the Secretary of State

ROME, October 15, 1935—9 a.m.
[Received October 15—6 : 07 a.m.]

713. According to a communiqué published this morning the Ethiopian Chargé d'Affaires has informed the Italian Foreign Office that he has received instructions from his Government to return to Addis Ababa and that he would communicate as soon as possible the date and itinerary of his departure. It is also stated that the Foreign Office informed him that he was at liberty to choose both date and itinerary.

LONG

765.84/2181 : Telegram

The Ambassador in France (Straus) to the Secretary of State

PARIS, October 29, 1935—1 p.m.
[Received October 29—11 : 15 a.m.]

925. When I called by appointment on Laval yesterday afternoon to pay my respects on my return, I left him the full text of Mr. Hull's note of October 26.[91] He said that he had already read excerpts in the French press and was very well pleased with the statement of the American position. He said that in his opinion the war in Ethiopia would not last very long and he told me in confidence that he thought that a basis of settlement could be arrived at by granting to Italy some form of control over that portion of Ethiopia south of the eighth meridian. He likewise felt that it would be necessary to grant some small bit of territory in the north bordering Eritrea which should include Adowa. Concerning sanctions Laval said that they would be applied almost immediately at least by November 10 and that these would include naturally only economic measures, that there would be no blockade, no military sanctions and no shutting off of the Suez Canal.

He felt it exceedingly important to sustain the administration of Mussolini in order to prevent the spread of Communism and although

[91] *Post*, p. 852.

he felt that the Government in Italy was still politically strong he thought that the financial difficulties there were very serious indeed.

[Here follows paragraph on French domestic politics.]

STRAUS

765.84/2284 : Telegram

The Consul at Geneva (Gilbert) to the Secretary of State

GENEVA, November 2, 1935—11 a.m.
[Received 2:45 p.m.[92]]

562. I am informed by an authoritative source as follows respecting certain elements in the Italo-Abyssinian situation:

1. Respecting Franco-British exchanges, London presented a formal communication to Paris which stated in effect that Great Britain greatly wished to bring about a *détente* between London and Rome which it was believed France also would feel to be desirable. As having in part a bearing on the accomplishment of such a purpose, the following were proposed:

(*a*) France to accord British naval units facilities, including docking repairs and refueling in French ports, particularly to include Toulon and Bizerta.

(*b*) Should Great Britain withdraw naval units from the Mediterranean equivalent French naval units would take their place, the French to maintain their ship dispositions in a manner to keep a strategic check on Italian naval movements and further to keep the British naval authorities informed of all such dispositions.

(*c*) The French and British naval authorities to work out a plan for the strategic cooperation of the two navies in cases of a hostile act of Italy against her.

(*d*) British and French air authorities to cooperate in respect of Italian frontier dispositions of French aircraft.

The communication further informed Paris that London would make a proposal to Rome that Great Britain would withdraw certain naval units from the Mediterranean on condition that Italy withdraw two army divisions from Libya, but that Rome would be informed at the same time that since, even with the withdrawal of the two divisions, Italian forces in Libya would remain superior to British forces in Egypt, Great Britain could not undertake not to send reinforcements to Egypt.

2. Drummond[93] took up this proposal with Mussolini but received a heated refusal. This is assumed to be the reason why apparently important British naval units have not been withdrawn from the Mediterranean.

[92] Telegram in two sections.
[93] British Ambassador in Italy.

3. Respecting the proposals on Mediterranean naval arrangements made to France, Paris accepted.

4. In return for their acceptance, the French asked and the British agreed to enter into a general staff arrangement with the French to include land, air, and naval forces for the protection of France's eastern frontier. The British general staff is now engaged on plans of that character. Whether the British and French general staffs are yet working in cooperation in this is not clear.

5. In respect of the Franco-British-Italian diplomatic exchanges, concerning a settlement of the Italo-Abyssinian dispute, which have been reported in the press, it appears that what Italy desires and what London will accept as a basis of negotiations have not undergone any substantial changes. The Italian demands are, in substance, the same as embodied in Aloisi's reply [94] to the inquiry of the Committee of Five in Geneva and the British basis of negotiations is, in substance, that of the Paris offer of August.[95] There is thus a wide gap between the two positions. The British have not recently discussed these matters direct with Italy, but relations with Rome have rested with Paris. In the recent Franco-British experts' conversations in Paris, the French proposed a compromise consisting of a complicated system of mandates over various portions of Abyssinia which presumably in the end might result in Italy's gaining absolute control of the country. The British rejected a compromise in this form, stating that they preferred that any transfer of territory, as was indeed envisaged in the Paris offer, should be absolute and not compromise the future.

6. The present status of the Franco-British relationship is naturally not viewed as a complete agreement as to policy. There is on the other hand reciprocal acceptance, believed to be to some degree, of the guarantees of mutual support outlined above and the immediate arrangement that should Italy move against Great Britain in the Mediterranean, France will grant full armed support.

The *détente* sought by Great Britain in respect of Italy is desired by Great Britain at this time in view of British public opinion which objects to the Government's reporting Great Britain's attitude toward Italy as animated by Great Britain's concept of her individual interests and for strategic reasons to make the Italian issue common to all League states. Fundamentally, the British-Italian relations are felt by the British to be at a very serious stage.

GILBERT

[94] British Cmd. 5044, Ethiopia No. 1 (1935) : *Documents Relating to the Dispute Between Ethiopia and Italy.*

[95] League of Nations, *Official Journal*, November 1935, p. 1133.

765.84/2278 : Telegram

The Consul at Geneva (Gilbert) to the Secretary of State

GENEVA, November 3, 1935—3 p.m.
[Received November 3—11 : 10 a.m.]

571. The following is a summary of the chief statements made in the final meeting of the session of the Coordination Committee yesterday evening:

1. Laval spoke in line with his previous statements stressing France's loyalty in applying the Covenant while at the same time seeking through negotiations a friendly settlement which, however, would have to be considered and approved by the League.

2. Hoare, after emphasizing the inviolability of the decisions taken in regard to sanctions, reiterated statements regarding British policy which he has recently made before Parliament and in election speeches emphasizing the principle of collective action and giving assurances that any settlement reached would be without the framework of the League acceptable to the League, Abyssinia and Italy.

3. Van Zeeland [96] referred to the declarations of Hoare and Laval and suggested that "conciliation be immediately undertaken under the auspices of and without the framework of the League itself" and that the League give a mandate to these statesmen "to seek for the elements of a solution under its authority and supervision".

Van Zeeland's statement is interpreted here as indicative of the anxiety of the smaller states in regard to French and British policy and as a warning to France and Great Britain that in seeking a settlement they should bear in mind that any solution reached must conform to League principles. The same idea was reflected in the speeches of Madariaga [97] and of Titulesco [98] speaking in the name of the Little Entente and the Balkan Entente.

Poland pointed out that the committee could not have had formal instructions in regard to the Belgian suggestion since the Council alone was competent to deal with the matter.

The Chairman stated that he felt nevertheless that the members of the committee would give full approval to the "wish" expressed by Belgium.

4. Russia stressed the indivisibility of peace no matter how distant the conflict.

5. The Chairman stated that all the decisions of the committee would be brought to the notice of non-member states.

6. I understand that the Associated Press has sent the full text of the statements of Hoare and Laval and summaries of some others.

GILBERT

[96] Paul Van Zeeland, Belgian Prime Minister and Minister for Foreign Affairs.
[97] Salvador de Madariaga, Spanish permanent delegate to the League of Nations.
[98] Nicholas Titulesco, Rumanian permanent delegate to the League of Nations.

765.84/2338 : Telegram

The Chargé in Ethiopia (Engert) to the Secretary of State

ADDIS ABABA, November 3, 1935—10 p.m.
[Received November 5—7 : 50 p. m.[99]]

154. Local official circles have for several weeks been manifesting deep anxiety over the intensive secret negotiations alleged to be in progress between Paris, Rome and even London regarding a possible settlement of the Italo-Ethiopian conflict by compromise. This anxiety is caused chiefly by the attitude of France and the following summary is based on opinions expressed by the Emperor, the Minister for Foreign Affairs[1] and Hawariat[2] who returned from Paris October 29.

It is felt that France has only been rendering lip service to League principles and that without British firmness she would not have gone as far as she has. Laval is still suspected of having had a secret oral understanding with Mussolini since last January by which the latter was promised a free hand in Abyssinia in return for Italian support against the German menace. Hence Laval's undue regard for Italian sensitiveness with respect to League action and his desperate efforts to avoid any steps likely to offend Mussolini. It is even believed that he has orally promised that France would never take part in military sanctions and that in any event his obscure and ambiguous tactics encouraged the Duce in his intransigence both vis-à-vis Ethiopia and the League. The Emperor is reported to have said that if France wished to avoid a European war that was hardly a good reason why Ethiopia should be calmly sacrificed in an African war. Laval had turned a cold shoulder to every suggestion for collective action and the French press except the left had not even expressed moral condemnation of Italy's brutal assault.

The Abyssinians fear French fidelity to the League Covenant is so lukewarm and so evidently conditional upon Great Britain's readiness to assume all the responsibilities of and the principal risks flowing from coercive measures, that the British, too, may balk at extreme action likely to cause war with Italy and may find it difficult to remain faithful to the commitments they have already undertaken (see also Legation's telegram 102, September 26, 11 a.m.[3]). In fact Laval's continued frantic search for a formula pleasing to Mussolini through diplomatic negotiations instead of the League even at this late hour has created such a painful impression here that the Ethiopian Govern-

[99] Telegram in three sections.
[1] Guéta Herony.
[2] Ethiopian Minister to France.
[3] *Ante*, p. 659.

ment is beginning to lose faith in the sincerity of all [?] and in their capacity to achieve anything but ineffective gestures.

If the powers believe that the capture of Adowa and other minor Italian military successes have in any way rendered proposed territorial adjustments with Italy more acceptable to the Negus their hopes are doomed to severe disappointment. The Ethiopians are now in no mood to make any concessions and they resent Laval in the role of mediator after having shown that he is really not interested in the fate of Abyssinia but only in retaining Italian friendship as a bulwark against Germany.

In this general connection I had an interesting talk with the French Minister who is personally not very sympathetic toward Italian aspirations. He gave me to understand that Laval was facing the most serious dilemma since the great war and that he had by no means the unanimous support of the French people. But among the complex influences at work his desire to make France's security the paramount issue was easily understood.

He argued that if he lost Italy's friendship without securing definite guarantees from Great Britain the whole Stresa front would be gone and any reliance on the Covenant in the event of German aggression was largely illusory. Mussolini was already displeased with Germany whose man power was double that of France and with whom Great Britain had recently signed a naval accord without consulting France. Theoretically, Laval believed in security through the League but in practice he was afraid that so long as the United States, Japan and Germany were not members, Great Britain and France alone were not strong enough to carry the burden of a universal application of sanctions. Besides, he felt convinced that Mussolini would treat military sanctions as an act of war and thus start another general European conflagration.

From the above and a brief conversation with my British colleague, I gather that so long as Great Britain reserves the right to be the sole judge as to what constitutes, for example, "unprovoked aggression" France will mistrust British promises of support and will claim similar liberty to act as her own special interests may demand. The British have already gone further than ever before in giving assurances regarding future contingencies and if France is still not satisfied it is feared that London—notwithstanding Laval's eleventh hour agreement to help the British Navy in the Mediterranean—will lose interest in League action and there will be nothing to prevent Italy from getting what she wants except Ethiopia's firm determination to resist with all her might.

ENGERT

765.84/2353 : Telegram (part air)

The Consul at Geneva (Gilbert) to the Secretary of State

GENEVA, November 4, 1935—5 p.m.
[Received November 6—6 a.m.]

576. I submit the following summary of elements in the present situation as viewed from Geneva:

1. The support of sanctions by the large majority of League states has been the marked feature of the Geneva procedures. The rapid response to the proposals was beyond any estimate even by the most sanguine. Furthermore, the sense of solidarity and the atmosphere of earnestness increased during the whole series of meetings.

2. On the other hand, it is to be noted that the effort during the recent meetings was at all times to avoid controversial issues, to consolidate the general ground gained and to leave the details of application to the governments. It was necessary, however, to deal with certain important questions raised chiefly by the replies of governments. Developments respecting these questions I am conveying in less current telegrams.

The date of November 18 was set for the putting into effect of the proposals; and the Committee of Eighteen was given a mandate to follow such application. The general tendency continues, however, to leave these matters chiefly to the governments, to see how the situation stands on November 18, and shortly thereafter to consider such measures as it may be desirable to take. Although no specific date has been set for the calling of the Coordination Committee for this purpose, the prevailing idea seems to be that it will reconvene the first week in December. Just how prompt and how efficient the application of sanctions will be still remains a question which cannot be answered from Geneva. Definitive decisions have not been taken concerning the manner of giving effect to proposal No. 5 which deals with mutual assistance. The theory is that losses cannot be considered in anticipation but can only be given consideration at the time of or after their occurrence. This may, however, become issue before November 18. In any event, the application of proposal 5 is expected to be a feature of the December meeting.

3. My 562, November 2, 11 a.m. From the situation as viewed here this widespread determination to apply sanctions is a development of the first magnitude in the European political situation which has brought about a reconsideration of the policies of all European states. As recently as a few weeks ago the British were to a degree predicating their policy on a possible relative failure to apply sanctions against Italy and were considering what move to make when such a failure had been demonstrated. The British believed then that it had already

been shown that states would be willing to apply sanction[s] only when their immediate interests were involved and hence that any approximation of universality would be impossible. Thus the entire League principle in this respect seemed to be on the point of being discounted. Feeling then handicapped by being "prisoners of their word" to the present League they were giving consideration to the possibility of effecting a rapid evolution of the existing League into a new form which would be divorced from the Treaty of Versailles, would eliminate the rigid procedures of the Covenant and would be rather a body primarily of consultative powers. While these ideas were by no means crystalized they were, nevertheless, preoccupations which I encountered here in my conversations with members of the British delegation. The thought was that such a body might recapture the participation of Germany, perhaps that of Japan, and might attract the United States to its membership. Failing this, however, London felt that it might have to turn to the individualistic policies of pre-war day.

France was weighing the advantages of a system of alliances which would include Italy in preference to "alliances" through the League from which Italy might be absent and which might create at least a psychological alliance between Italy and Germany.

The speedy acceptance of sanctions by the European powers and even to a large extent by the Latin American powers has changed this picture. London perceives the present League as a working organization and one which from its present demonstrated efficiency would be difficult to change.

The reason why it would be difficult to change is that the small powers have by their unity of action created so to speak a bloc of policy which renders them a factor of great importance. This happened to a degree in the Sino-Japanese affair but in that instance only achieved the point of principle, material action being very limited. On this last occasion the small powers have entered by their action fully into the arena of European and, to a less extent, of world politics. Whether the great powers will later find this force of the small powers an inconvenience remains to be seen. It is a position, however, which the small powers here tell me they are determined to maintain and to maintain through the present League form, expressing themselves as being most suspicious of all proposed changes.

Reducing this to the particular in discussing with the British here the status of Franco-British relations, as suggested in paragraphs 1 to 5 of my telegram last referred to, while certain general staff plans for military support of France's eastern frontier have undoubtedly been considered, any undertaking which Great Britain has given France in return for French naval support in the Mediterranean in so far as it is concrete apparently chiefly concerns British air coop-

eration on France's Italian frontier should French support of Great Britain in the Mediterranean in case of hostile Italian action involve France's Italian border. In short this change in the League situation which has been described is seen as having had a direct bearing on the long contentious element of bilateral mutual support in Franco-British relations. France's and Great Britain's common reliance on a stronger League has thus tended to obviate to a degree France granting Great Britain a separate undertaking for contingencies in the Mediterranean which might arise under paragraph 3 of article No. 16. By the same token the same necessity is not seen for London's granting Paris a specific *quid pro quo* respecting France's eastern frontier problems. However, lacking such a *quid pro quo* I have been given to understand that France's naval undertaking[s] in the Mediterranean are not quite as inclusive as the British have desired. In this general connection it has been noted that the question of British guarantees respecting Central Europe apparently dropped from sight in private discussions here which in distinctly League circles is accounted for in part at least by Austria's and Hungary's defection from League action.

If, however, the apparently wide readiness on the part of League states to implement sanctions against Italy came as a surprise to London and Paris and suggested reconsideration of their policies, diplomatic information here indicates that it came to Rome in the form of a distinct shock the possible effects of which on Italy's course of action it is too early to determine.

(Consulate's 564, November 2, 2 p.m.[4]) While among the small power delegations preoccupations in line with those referred to are discussed and while these still take the form of expressing concern over League action constituting perhaps merely a transitional phase in European politics and part of a program in support of some more general policies envisaged by one or more of the great powers, I find a new concept respecting meeting the problems involved. The small powers perceive in the unity gained and the procedures established by their present action a method of nullifying such developments as might infringe their interests. In particular, although in the Portuguese delegation and to a lesser degree among the Belgians some apprehensions are expressed concerning possible future arrangements in which Germany is seen as entering the picture respecting colonies and mandates, they feel, nevertheless, that their security against such large power dispositions may best be found in their immediate support of League principles. Thus these states are watching with great anxiety the progress of the sanctions programme.

GILBERT

[4] Not printed.

765.84/2625

Memorandum by the Under Secretary of State (Phillips)

[WASHINGTON,] November 11, 1935.

The Italian Ambassador called this afternoon and left with me the accompanying communication [5] which has just been presented by the Italian Government to all the states members of the League. The Ambassador was also instructed to communicate it to this Government and in doing so expressed the opinion that the same communication was being made to all governments non-members of the League. Signor Rosso translated the communication into French and read it to me. He said that he regarded it as an exceedingly important and very serious communication.

WILLIAM PHILLIPS

765.84/2625

Text of the Note Which the Italian Government Addressed on November 11, 1935, to All the Governments Which, at Geneva, Voted for Sanctions Against Italy

[Translation]

1. The Italian Government, with its note of October 7 last,[6] and with the declarations of its delegate to the Council and to the Assembly of the League of Nations, denied the basis of the resolutions adopted at Geneva regarding the conflict between Italy and Ethiopia. It repelled the accusation of having violated the obligations undertaken under Article 12 of the Covenant. Today, when, following the said resolutions and affirmations, numerous member states are proceeding, with reference to Article 16 of the Covenant, to the application of measures bringing pressure on Italy, the Royal Government renews the broadest and most decided protest against the gravity and the injustice of the proceedings which have been adopted to its injury.

The Italian Government states in opposition:

(1) That the reasons set forth in the Italian Memorial [7] have not been taken into sufficient consideration.

(2) That the provisions of the Covenant of the League of Nations answering to the situation denounced have not been applied.

2. The situation which has come about since the last meeting of the Council and the Assembly has brought to the Italian arguments and protest the confirmation of facts of such significant evidence as to

[5] *Infra.*

[6] League of Nations, *Official Journal*, November 1935, p. 1225.

[7] Submitted to the League Council, September 4, 1935; *ibid.*, p. 1355.

corroborate the basis of the reasons given by Italy, and, on the other hand, as to invalidate the basis of the presumptions on which there were taken, with respect to her, those decisions the juridical and moral bases of which Italy must again deny: in point of fact, numerous populations, guided by their civil and religious authorities, have come to place themselves under the protection of Italy. The Italian Government has abolished slavery in the occupied territories, giving to 16,000 slaves that liberty which they would have awaited in vain from the Government at Addis Ababa, despite the clauses of the Covenant and the undertakings assumed at the moment of its admission as a member of the League of Nations. The liberated populations see in Italy, not the aggressor state, but the power which has the right and the capacity of extending that high protection which the very Covenant of the League of Nations, in its Article 22, recognizes as the civilizing mission incumbent upon the more advanced nations. This attitude of the populations of Tigre, which have been liberated from the Shoan government, and of the religious authorities of Axum, permits the belief that, *a fortiori*, the same situation of fact exists in all the regions of non-Amharic race, where domination has made itself felt in the form of pitiless oppression and of extermination for more than half a century. The League of Nations should take account of such facts which have developed since the decisions at Geneva, and should draw therefrom the necessary conclusions.

Among these conclusions, it is undeniable that new obligations of protection are incumbent on Italy because of the attitude of the populations which have placed in her their trust, which populations would be devoted to terrible reprisals and vendettas should Italian protection cease.

3. In contrast to these facts, the procedure adopted in the conflict between Italy and Ethiopia, which procedure purported to follow strictly the letter of the Covenant, has in actual fact, killed its spirit. The governments of numerous states have, through rigid and hasty actions, been induced to consider and to provide for the application to Italy of measures of pressure which have been concerted at a conference of coordination which is not, in fact, an organ of the League of Nations and which has carried on and is carrying on its investigations and labors without Italy being informed thereof in any way. The various Governments therefore remain individually the judges and the parties responsible toward Italy both with respect to the scope of the measures that they adopt and their legal justification.

4. The first measure considered by the said committee and proposed to the Governments represented, namely, the embargo on arms and munitions for Italy and the lifting of the same embargo in favor of Ethiopia, constitutes an immediate and direct aid in rendering very much worse that special situation of menace which the Italian

Government had vainly denounced to the League of Nations and which has led to the necessity under which it finds itself of providing urgently and with its own means alone for the security of its own colonies.

Such a measure, far from facilitating the end of the conflict and actuating a settlement in the spirit of the Covenant, increases its gravity and entails the danger of prolonging the duration thereof. It should not be forgotten that the supplies of war materials now opened wide to Ethiopia are in open conflict with the proposals of the Committee of the League of Nations which recognized that that nation should be subjected to a strict international control adapted to check its perilous disorder, already demonstrated by the necessity under which the three adjacent countries found themselves in 1930 of coming to an agreement [8] to limit and control the importation of arms into Ethiopia even in time of peace.

5. The Coordination Committee has therefore elaborated the modalities and the scope of numerous measures of an economic and financial nature without giving any consideration to the fact that sanctions of such a nature were never applied in cases of previous conflicts, which developed, however, under conditions much more serious because a plea for peaceful adjustment had not ever been submitted previously. The Committee has, finally, proposed to the Governments to put into effect simultaneously and definitively, at a very close date, all the measures considered, by the collective action of some of those countries represented on it, neglecting all criteria of gradualness and progressive application. Such sanctions will thus be applied against Italy for the first time, under conditions *de facto* and *de jure* that the Italian Government and people consider unjust and arbitrary and against which the Royal Government must therefore raise the most determined opposition.

In the economic field and, once again, in the moral field, the Italian Government must call the full attention of each nation belonging to the League of Nations to the gravity of the measures which the Coordination Committee of Geneva proposes to apply to Italy and to the consequences which they are liable to bring not only upon a great nation to which there belongs an essential part in the work of reconstruction and collaboration that is one of the fundamental tasks of the League of Nations, but also upon the economic situation of the world, already so strained, whose effort at restoration it breaks up.

No one can deny the right and the necessity which the Italian Government will have to defend and insure the very existence of its people. Thus it will be obliged to take measures of an economic and financial character that may mean, among other things, substantial deviations from the present currents of exchange and trade, so that it may pro-

[8] For text of treaty, see British Cmd. 3707, Ethiopia No. 1 (1930), p. 21.

cure everything needed for the life of the nation. The prohibition of all Italian exports, is not so much an economic measure as a true act of hostility that fully justifies the inevitable Italian counter measures.

The Italian Government believes moreover that the situation of the parties involved does not detract from the value of the objective consideration that the artificial attempt to exclude from world economy a market of 44 millions of individuals runs the risk of drying up immediately and certainly the founts of sustenance and life of millions of workers the world over.

The sanctions and counter-sanctions will finally bring very serious consequences of a moral and psychological order by causing a spiritual disturbance which may endure even long after the sanctions will have fulfilled their purposes and obtained the result of increasing the economic disorder of the world.

7 [*sic*]. Italy, which derives her character of charter member of the League of Nations from the sacrifices of blood made also by her sons in order that the League might arise, has been unwilling hitherto to detach herself from the Geneva Institution, in spite of her opposition to the proceeding followed against her, because she desires to prevent a conflict like the one in question from giving rise to wider complications.

The Italian Government, however, while it has taken all the measures suitable to prevent subsequent dangers from growing out of the situation created, believes it should in time call the full attention of the Governments of the States Members of the League of Nations to the responsibility involved in the measures in course of application and to the gravity of their consequences.

The Italian Government will be grateful to know in what way this Government, in its free and sovereign estimation, intends to be governed with regard to the restrictive measures proposed against Italy.

NOVEMBER 11, 1935.

765.84/2605 : Telegram (part air)

The Consul at Geneva (Gilbert) to the Secretary of State

GENEVA, November 16, 1935—noon.
[Received November 18—10 : 35 a.m.]

603. Since the adjournment of the Committee of Eighteen on November 6 no developments of significance have occurred at Geneva. A subcommittee has approved the execution of a few current contracts of a restricted nature of which the fulfillment would have obviously

little material effect on the efficacy of sanctions. The replies of governments as to whether they have clearing agreements with Italy and the nature of such agreements continue to come in but thus far do not appear to present any new feature having a bearing on the fulfillment of the obligations which the governments have undertaken in regard to these agreements as affecting sanctions. Governments are likewise transmitting copies of laws and decrees putting sanctions into force. This information is, however, somewhat scattered and inconclusive. All of this documentation is being forwarded currently to the Department. Should the Department desire telegraphically any details which might be available here, please instruct.

No definite date has been set for the next meeting of the Committee of Eighteen or subcommittees but November 25 is being considered.

I understand that three methods of replying to the Italian note [9] of protest against sanctions have been considered: (1) The governments to reply individually and independently or (2) to reply individually but in similar terms after consultation through diplomatic channels or (3) to direct the Chairman of the Coordination Committee to send a common reply on their behalf.

The latest information available at the Secretariat is that the second method will probably be followed, the French and British drafting an identical note and transmitting it to the other Governments for guidance.

GILBERT

765.84/2635 : Telegram

The Ambassador in France (Straus) to the Secretary of State

PARIS, November 20, 1935—2 p.m.
[Received November 20—11 : 45 a.m.[10]]

975. Bargeton [11] has furnished Marriner in strict confidence with a copy of the French reply to the Italian note of November 11 which will probably be released for publication on Saturday. The Italian note called the attention of the French Government to the responsibilities implied in, and the consequences of the application of the measures for sanctions proposed by the Committee of Coordination at Geneva.

The French Government, after assuring the Italian Government that it is fully conscious of the gravity of its responsibilities, states that France in particular feels especially heavily the weight of the

[9] Note of November 11, *supra*.
[10] Telegram in three sections.
[11] Director of Political and Commercial Affairs, French Foreign Office.

obligations which it ardently hopes can be reconciled with the Franco-Italian ties of friendship.

The note continues:

"The Government of the Republic will limit itself to recalling that on the 7th of October last the delegates of all the states represented on the Council, with the exception of the Italian, confronted with incontestable facts and the imperative provisions of the pact were obliged to conclude that the Italian Government had had recourse to war in violation of article 12. In spite of the sentiments of friendship which animate it with regard to Italy the French Government was unable to deny this conclusion. From the situation thus created inevitable consequences follow. To fail in its obligations under the pact would have been gravely to compromise the possibility of the future application of the provisions thereof which constitute an essential element in the collective security assured to the members of the League. This is the imperative reason which prevents the French Government, in spite of its regard for Franco-Italian relations and for the sentiments which inspire them, likewise in spite of the difficulties that French national economy will suffer, from deferring the application of the date already fixed as November 18 of the measures with which it has declared itself to be associated.

The French Government remains no less in accord with the other members of the League of Nations in event that the application of the provisions of pact which under the terms of article 16 make certain restrictions obligatory and in addition also feels it a moral duty to seek as rapidly as possible a pacific solution of the present conflict.

The Italian Government is aware that the French Government has neglected no effort in this direction. Confident in the encouragement given to its and to that of the British Government during the last meeting of the Council of Coordination, it will persevere in this effort. While awaiting a settlement of the conflict which will put an end to the measure called for by the pact, the French Government desires to affirm that no one of them in so far as Italy is concerned partakes of the character of the hostile which the Italian Government would seem to attribute to them. Italy whose eminent role in the foundation of the League of Nations is recalled by the Italian Government cannot fail to recognize this truth. The Government of the Republic expresses the wish and renews the hope that the time will be hastened when the present conflict shall come to an end to the greatest advantage for the commonwealth of peoples and international collaboration."

STRAUS

765.84/2943 : Telegram

The Chargé in Ethiopia (Engert) to the Secretary of State

ADDIS ABABA, December 5, 1935—10 p.m.
[Received December 8—5 p.m.[12]]

208. I have so far purposely refrained from commenting on the military situation because in the first place the very sketchy information furnished by the Government has often proved unreliable; sec-

[12] Telegram in three sections.

ondly, the different phases have been extremely puzzling even to the military experts; and thirdly, all readily available material as well as many flights of imagination have been cabled in great detail by the news agencies.

However after 2 months of warfare and considering that the campaigning season will be over in another 4 or 5 months at the most it may be useful to summarize the situation as far as can be ascertained here from personal observations and reasonably trustworthy sources.

(1) Despite Italian threats and obvious military preparations the Emperor, in order to avoid giving Italy any pretexts and to prove his good faith to the League, delayed general mobilization until the last possible moment. Although there had been minor troop musterings and movements since last May no large scale levies were made and hardly any arms and munitions were bought even in the few countries which permitted such exports to Ethiopia. This greatly retarded concentration of main armies especially in the North and accounts for the fact that the Italians have so far not come in contact with large forces. It is not that the latter have fallen back but that notwithstanding marches they are only now beginning to reach areas where a definite stand is expected to be made.

(2) Fortunately for the Abyssinians unusually late rain storms in October and November both in the North and in the South impedes Italian progress to a considerable extent while they had much less effect on native movements unhampered by elaborate transport and commissariat. Delay also favored Ethiopian plans of encouraging the Italians to advance far into the country without risking foolhardy attacks which massed troops might have been tempted to make if they had been near enough to the invading forces.

(3) Abyssinians have many natural advantages over the Italians. Their country is a mass of steep rocky mountains cleft by deep and narrow gorges, unbridged water courses, no roads and only precipitous mule tracks over high passes leading to rugged wind swept plateaux between seven and nine thousand feet high with freezing temperatures at night and no shelter. Approaches consist of exceedingly hot malaria [*sic*] in the waterless desert, remainder inhabited by treacherous nomad tribes.

(4) Second only to the formidable barrier of the terrain is the warlike spirit of the natives. Especially the Amharas and the Gallas actually enjoy fighting and all the inhabitants are so frugal and hardy that they can literally march several days without food. They are incredibly mobile, travel very light and can cover long distances at a trot. Proud and fearless by nature and even fond [of] military training they are instinctively quick to take advantage of natural defensible needs. During the past 2 months I have seen tens of

thousands of the most magnificent specimens fresh from the provinces parade before the Emperor en route to the front. They remind me very much of the Pathans in Afghanistan whom they strongly resemble in physique and character.

(5) With such troops, guerrilla tactics are, of course, the logical kind of warfare against an enemy equipped with the most modern weapons, planes, tanks and armored cars, etc., but whose long and unwieldy lines of communication make him particularly vulnerable in the terrain just described. Until now the Abyssinians have only fought delaying actions and skirmishes to harry the flanks and rear of the advancing Italians and they will probably avoid fighting pitched battles before the proper time as long as the men can be held back.

(6) For the greatest danger to them consists in their eagerness, ill-equipped, ignorant and untrained as they are, to take chances by hurling themselves in swarms upon their opponents regardless of losses and attempting to overwhelm them by closing with them and using swords and spears. So far the Emperor and his feudal war lords have been remarkably successful in controlling the troops who have shown greater discipline than was expected after the strain of a whole year's armed peace. But considering the lack of efficient central organization and proper staff work, and the fact that increasingly large units disinclined coming in contact with Italian forces, it remains to be seen how much longer they can be prevented from attacking prematurely en masse.

(7) On the other hand if kept inactive too long there is distinct danger of the armies gradually melting away in search of food. Question of supplies is undoubtedly one of the most serious problems as the troops have to live on the country often little cultivated where they happen to be. The Emperor realizes the danger and has made a beginning by providing troops which passed through Addis Ababa with supplies of barley flour mixed with dried meat which was to last them while on the march. He also issued strict instructions that enough men must remain in each province to harvest crops. Harvest is now all in and troops stationed outside their own provinces are to be fed from granaries said to have been established at important centers like Gondar, Debra Tabor, Lalibela, Dessie, etc. A certain amount of grain has also been imported from the Sudan and is kept in reserve. Commissary problem is much simplified by the fact that all natives are used to eating raw meat and raw vegetables.

(8) Assuming the population of Ethiopia to be about eight and a half million invite attention that if her entire manpower were on a fighting basis an army of at least a million men could be put in the

field. But as that is for technical, financial and political reasons impossible, I doubt whether more than half that number are actually under arms today. And although the rifle is traditionally part of the ordinary stage property carried about by Abyssinians to impress their friends, most of them are so antiquated, Gras and Lebel models, that they are almost useless from a military point of view. There are probably less than 200,000 modern rifles mostly Mauser, Lee Metford and Mannlicher available and only comparatively small shipments have been received since the embargo was lifted. There is also serious scarcity of ammunition, probably under 100 rounds per modern rifle which incidentally prevents intensive target practice and accounts for notoriously poor marksmanship. Factory near Addis Ababa now turns out insignificant quantities of small arms ammunition.

(9) There are at most 800 machine guns, 700 automatic rifles, 2 dozen Swiss anti-aircraft guns and 3 batteries of German mountain guns. Total air force consists of 9 planes of which 1 American was only last month bought from a Frenchman who flew it here from Europe. One small tank, a few armored cars and some obsolete field guns complete the mechanical equipment except for some 400 trucks, mostly American, and field wireless sets for all large units. Recently an order is reported to have been placed in Czechoslovakia for 100,000 Mannlicher rifles and 120,000,000 cartridges. Arms and ammunition are arriving in small quantities via Djibouti, Berbera and Port Sudan.

(10) Regular troops armed with modern rifles, machine guns et cetera, and trained by Belgian and Swedish officers on European lines do not exceed 10,000. Known as the Imperial Guard. Then there are some 50,000 irregulars less well equipped but with a certain amount of training. Remainder are all merely feudal levies raised by the various Rases and lesser chiefs, unfamiliar with modern military tactics and technique and often poorly led but very brave and experts in guerrilla warfare.

(11) The following is roughly the present disposition of the Ethiopian armies, all being approximate:

(*a*) Northern Front.

Extreme left wing is held by Deazmatch Ayaleu, Governor of Semen [*Semien*] and Wolkait with 50,000 men. He is defending left bank of Takaze River and line of supply from the Sudan against Italian Second Army Corps under General Maravigna.

On his right is Ras Imru, Governor of Gojjam with 80,000.

Center is held by Ras Kassa, Governor of Gondar, with his two sons and Ras Mulugeta, Minister of War, who, between them, have 160,000 including most of the Imperial Guard.

They are opposite the Italian native army corps under General Biroli.

Ras Seyum, Governor of Tigre, and father-in-law of the Crown Prince, commands right wing with 75,000 men, apparently in close cooperation with Ras Kassa and likewise astride Biroli's line of advance.

Extreme right or Aussa front is held by Ras Getatcho, Governor of Kaffa, Kassa Sebahat, Governor of Agame, Deazmatch Mashasha, Governor of Kambata, and Ras Kabada with 40,000 men. Facing them is the Italian First Army Corps under General Santino and forces operating from Assab under General Mariotti.

Importance of this front is due to Danakil tribes and semi-independent Aussen Sultanate under the Moslem General Mohammed Yayo.

The latter has an irregular force of 20,000 and has so far remained loyal to the Emperor despite Italian attempts to bribe him. Also wild tribe of Assimeras has pratically prevented Italians from Assab to advance beyond Mount Mussa Ali [*Mussalli*]

(*b*) Southern Front.

Ethiopian left wing based on Harrar and Jigjiga under Deazmatch Nasibu with 80,000. His chief of staff is the Turkish General Vehib Pasha, veteran of the Balkan and World wars. He is to defend motor road to Berbera and railway to Djibouti against General Grazia's [*Graziani's*] right wing.

Center is held by Ras Desta Demtu, Governor of Sidamo and Borana, the Emperor's son-in-law who visited Washington in 1933, supported by Deazesamdi, Governor of Arussi, with between them 75,000 men. They are to stop Italian advance up the river Webe Shebeli and if possible harass Italian right flank.

Ethiopian right wing commanded by Deazmatch Bayahamorid, Governor of Bale, with 25,000 men is important for the present as the mountains of Bale are practically inaccessible from the southeast. But if Harrar falls and the Italians advance along the railway, the Bale forces would help Ras Desta defend Addis Ababa.

(12) Even allowing for obstacles of topographic and communications, the Italian advance on both fronts has been extraordinarily slow considering for political and psychological reasons it should have been as fast as possible and considering also that Abyssinian resistance has so far been relatively negligible. It is obvious that the moral effect of a quick successful campaign would have been very great both in Ethiopia and abroad as was shown by the occupation of Adowa, Aksum and Adigrat early in October and the formal annexation of Tigre and Againe on October 19, even though the Emperor had never made the least effort to hold those regions. It had been expected here that Mussolini would attempt to face the League with a number of *faits accomplis* before his military operations would feel the effects of the sanctions.

(13) When Gorahai in the Ogaden was taken on November 7th and Makle [*Macalle*] in the north on the following day, it was thought

that the Italians were about to undertake a number of bold thrusts to drive wedges between the various Ethiopian armies, leaving the consolidation and lateral extension of their lines till later. But a month has elapsed and all major operations appear again to be at a standstill. Abyssinians are reported strongly entrenched on the heights of Alapu some 40 miles south of Makle [*Macalle*] while in the Ogaden they even claim to have retaken some outposts abandoned by the Italians.

(14) Admitting that the memory of the disaster at Adowa 40 years ago doubtless deters the Italian military from taking any chances, an absolutely safe advance may be so slow and laborious as to defeat its own ends. Having every device of modern mechanical warfare at their disposal they are actually handicapped in this country because motorized troops and transport require elaborate preparations in the form of networks of roads which in turn make heavy demands on labor and commissary and military forces to protect them.

(15) Nor does it seem that the Italian air forces have so far been particularly successful in either intimidating or destroying Abyssinian troops. If at the very outset swift raids had been made on large troop concentrations or populous towns the nerve strain on primitive people might have been considerable. Instead of which haphazard and on the whole ineffectual air action has accustomed the natives at Addis Ababa being bombed and has made them adept at concealing themselves from aircraft. Troops move by quick night marches and hide in the daytime and those not clad in Khaki wet their clothes, roll in the dust, and remain absolutely immobile under rocks or trees. Many gallas are using a vegetable dye of ochre cinnamon instead of khaki.

(16) The appointment of Badoglio is naturally expected to signify a change in Italian tactics and the Ethopian leaders are quite prepared for more speedy and more energetic action on the part of the enemy. The Italians had evidently hoped for greater results from the intensive propaganda and expenditures of large sums to win over the natives without too much fighting. If they counted on an early collapse of the morale of their opponents they must be thoroughly undeceived by now for even in the minor engagements which have taken place the Abyssinians have admittedly nearly always put up a stiff fight before retiring. Badoglio probably realizes that he has a long and arduous campaign ahead of him comparable only to campaigning in the Riff or the Northwest frontier of India. For even if sanctions and world opinion should prove ineffective in putting a stop to the war it will take many years to round up a people of tough and elusive hill-men determined to fight to a finish and the effort may well ruin Italy by its enormous cost in men and treasure.

ENGERT

765.84/3013½

Status of League Sanction Proposals As Reported From Geneva, to December 9, 1935 (by Proposals)

Proposal No. 1—Arms Embargo Against Italy

This proposal is now in effect, juridically or practically, in the following countries:

Afghanistan*	France	Nicaragua*
South Africa	Great Britain	Norway
Argentina	Greece	Panama*
Australia	Guatemala*	Peru
Belgium	Haiti*	Poland
Bolivia*	Honduras*	Portugal
Bulgaria	India*	Rumania
Canada	Iran*	Salvador*
Chile	Iraq*	Siam
China	Ireland	Spain
Colombia	Latvia	Sweden
Cuba	Liberia*	Switzerland
Czechoslovakia	Lithuania*	Turkey
Denmark	Luxemburg	Uruguay
Dominican Republic	Mexico	U. S. S. R.
Ecuador*	Netherlands	Venezuela
Estonia	New Zealand	Yugoslavia
Finland		

Total: 52

Luxemburg and Switzerland have applied embargo to both belligerents.

Proposal No. 2—Financial Sanctions

This proposal is understood to be in effect in the following countries:

Afghanistan†	Finland	Netherlands
Australia	France	New Zealand
South Africa	Great Britain	Nicaragua†
Argentina	Greece	Norway
Belgium	Guatemala†	Panama
Bolivia†	Haiti†	Poland
Bulgaria	Honduras†	Portugal
Canada	India	Rumania
Chile	Iran†	Salvador†
China	Iraq†	Siam
Colombia	Ireland	Spain
Cuba	Latvia	Sweden
Czechoslovakia	Liberia†	Switzerland
Denmark	Lithuania	Turkey
Dominican Republic†	Luxemburg	U. S. S. R.
Ecuador†	Mexico	Venezuela
Estonia		Yugoslavia

Total: 50

*Accepted but do not manufacture or trade in arms. [Footnote in the original.]
† Have accepted but are not in a position to extend credit to Italy. [Footnote in the original.]

Uruguay has requested authorization from Parliament.

Peru is considering submitting appropriate legislation to Parliament.

Proposal No. 3—Prohibition of Imports From Italy

This proposal is understood to be in effect in the following countries:

Afghanistan	Finland	Luxemburg
South Africa	France‡	Mexico
Australia	Great Britain	Netherlands
Belgium‡	Greece‡	New Zealand
Bolivia	Guatemala	Norway‡
Bulgaria	Haiti	Poland‡ (See below)
Canada	Honduras	Portugal
China (as far as possible)	India‡	Rumania‡
	Iran‡	Salvador
Colombia	Iraq	Siam‡
Cuba	Ireland	Spain‡
Czechoslovakia	Latvia	Sweden
Denmark	Liberia (as far as possible)	Turkey
Dominican Republic		U. S. S. R.‡
Estonia	Lithuania	Yugoslavia

Total: 43

Ecuador is studying necessary measures.

Chile states it cannot be applied within 50 to 60 days from November 1, the length of a complete voyage by the fastest merchant ships. Clearing operations excepted.

The Argentine, Nicaragua, Uruguay and Peru require Congressional authorization to apply this proposal.

Panama will take such steps as events may require after November 18, subject to constitutional reservations.

Switzerland rejects the proposal but will abolish direct payments to Italy and take steps to prevent any increase in trade.

Venezuela is considering action.

Proposal No. 4—Embargo on Certain Exports to Italy

This proposal is understood to be in effect in the following countries:

Afghanistan	Colombia	Haiti
South Africa	Cuba	Honduras
Argentina	Czechoslovakia	India
Australia	Denmark	Iran
Belgium	Dominican Republic	Iraq
Bolivia	Estonia	Ireland
Bulgaria	Finland	Latvia
Canada	France	Liberia (as far as possible)
Chile	Great Britain	
China (as far as possible)	Greece	Lithuania
	Guatemala	Luxemburg

‡Except for certain contracts in course of execution, specified in the attached list. [Footnote in the original.]

Proposal No. 4—Embargo on Certain Exports to Italy—Continued

Mexico	Rumania	Switzerland
Netherlands	Salvador	Turkey
New Zealand	Siam	Uruguay
Norway	Spain	U. S. S. R.
Poland	Sweden	Yugoslavia
Portugal		

Total: 47

Ecuador is studying necessary measures.

Panama will take such steps as events may require after November 18, subject to constitutional reservations.

Peru and Nicaragua require Congressional authorization.

Venezuela is considering action.

Proposal No. 4A.—Embargo on Exports of Petroleum Products, Iron, Steel and Coal to Italy

The following States have agreed to put this proposal into effect on the date fixed by the Committee:

Finland	India	New Zealand
Iraq		Siam

Argentina, by a decree published November 18, 1935, prohibits exports of these products to Italy as from a date to be announced later.

The U.S.S.R. will put into effect on the date fixed by the Committee provided "all the States, members and non-members, of the League which export the products in question announce their readiness to apply the same measures from that date."

Rumania will put into effect "as soon as a similar measure has been adopted by all the other producing countries."

Netherlands. The decree putting proposal No. 4 into effect provides that the list of articles embargoed may be extended in accordance with recommendations of the Coordination Committee.

Belgium. By decree of November 19, export to Italy of iron and steel in bulk, ingots or plates was forbidden.

Proposal No. 5—Compensatory Arrangements

The following states have accepted this proposal.

South Africa	Estonia	Luxemburg
Australia	Finland	Mexico
Belgium	France	New Zealand
Bolivia	Great Britain	Norway
Bulgaria	Greece	Portugal
Chile	Guatemala	Rumania
China	Honduras	Salvador
Colombia	Iraq	Spain
Czechoslovakia	Ireland	Turkey
Denmark	Latvia	Uruguay
Dominican Republic	Liberia	U.S.S.R.
Ecuador	Lithuania	Yugoslavia

Sub-Total: 36

The following states have taken note of, or are considering this proposal:

Afghanistan	Netherlands	Sweden
Argentine	Panama	Switzerland
Cuba	Poland	Venezuela
Iran	Siam	

Sub-Total: 11

The following states have accepted with reservations:

Haiti	India	Nicaragua
Canada		

Sub-Total: 4
Total: 51

Non-member States:

Germany, according to the Embassy at Berlin, by a Decree of November 9 prohibits export without special license of a wide range of foodstuffs and raw materials, in particular edible fats, potatoes, textile materials, metals, rubber, hides, skins and oils of all kinds. The prohibition is effective November 16 except for iron and steel, concerning which it is effective November 25. A communiqué issued November 13 stated that while coal and copper were not included in the decree, export of these commodities has been under official control for some time.

The metals embargoed include manganese, aluminum, tin, nickel, zinc, bronze, iron, antimony, chromium, cadmium, magnesium and all ore containing these. Export of "war materials" is also prohibited.

The Ambassador reports that the Foreign Office affirms that the Decree is not aimed at Italy. In effect, however, it corresponds to and exceeds in scope Proposals 1, 1A and 4.

Egypt. The Legation at Cairo reports that a decree put into effect December 2, provided for integral application of Proposals 1, 3, and 4. The decree provides that amendments to the list of prohibited war materials and of exports to Italy as well as provision to admit certain goods of Italian origin may be made after approval by the Council of Ministers.

Brazil communicates that: "Since it is not a member of the League of Nations Brazil does not wish to participate in the measures which the League recently adopted, and it reserves its liberty to act in all eventualities according to the dictates of its interests, its international obligations and the principles which have always guided its foreign policy."

Newfoundland has put Proposals 1 and 2 into effect as of October 25 and 29 respectively.

The Sudan. Proposals 1, 2, 3 and 4 were put into effect on November 27.

Liechtenstein. Covered by action of Switzerland.

Refusals to Apply Proposals for Sanctions.

Paraguay communicates that decision on proposals must be taken by Congress and that it does not deem it desirable to consider a resolution respecting the measures proposed.

Panama makes express reservation in regard to the decisions of the Legal Sub-Committee (Proposals 3, 4, and 5).

765.84/2986 : Telegram

The Ambassador in France (Straus) to the Secretary of State

PARIS, December 9, 1935—5 p.m.
[Received December 9—2 : 35 p.m.]

1032. Marriner saw Vansittart [12a] this morning and while the latter could not give him details of the propositions which had been worked out between Laval and Sir Samuel Hoare because they were still under consideration by the British Government, nevertheless, discussed the matter in such a way that it became evident that the offer to be made is an enlargement of that of last August,[13] that is to say, Abyssinia is to receive a port. Italy is to have territorial concessions on the border of Eritrea to take in most of the province of Tigre with the exception of the sacred city of Aksoum. The Ogaden and Danakil countries will be transferred likewise to Italy and some form of colonization scheme will be set up presumably under the sovereignty of the Negus for the Italian occupation and settlement of the lake region of Abyssinia south of the 8th parallel and extending as far as the 36th degree longitude. For the administration of the remainder of Abyssinia the Emperor will conclude a treaty with Italy similar to that proposed by the Committee of Five on September 18 [14] practically putting Abyssinia under a sort of mandate with advisers named by various nations including Italy.

Vansittart did not know in the first place whether a proposition of this nature would be accepted by his own Government and still less whether it was acceptable to the Italians. He did feel that Mussolini came nearer knowing now than hitherto that the game was nearly up and there could be no question but that sanctions were pinching Italy and that she greatly feared further pressure of this kind in particular with reference to oil. He indicated that it would be pointed out to Mussolini if he accepts the proposals to be made as a basis of

[12a] Sir Robert Vansittart, British Under Secretary of State for Foreign Affairs.
[13] See telegram No. 293, September 4, 11 p.m., from the Consul at Geneva, p. 643.
[14] British Cmd. 5044, Ethiopia No. 1 (1935), p. 3.

negotiations that the question of oil sanctions which will come up at Geneva on December 12 will be postponed. Therefore they are expecting some reply from Italy before that date.

Sir Robert was pleased by the progress made with the French on this occasion and the agreement that now existed. He said that the bad feeling engendered between the two nations hitherto on this subject had been extremely harmful and had greatly encouraged the Germans who he said were certain to profit from every aspect of this situation. He said that the real hope lay in the fact that the League had proved itself stronger than anyone had anticipated and that the use of sanctions seemed as if it would be the means to bring about a settlement and should this first test of the method prove in any way successful it would serve as a hindrance to future aggressions of a like nature. However, he added that all calculations might be upset by the instability of judgment with Mussolini seemed to be showing.

STRAUS

765 84/3018 : Telegram

The Ambassador in the United Kingdom (Bingham) to the Secretary of State

LONDON, December 11, 1935—1 p.m.
[Received December 11—12:35 p.m.]

623. In the House of Commons last night Eden gave the first official general outline of the nature of the Franco-British proposals which Vansittart reported to the press in Paris later in the evening had been despatched to Rome and Addis Ababa. Last week strong pressure from industrial and financial interests was brought to bear on the British Government to avoid a conflict, and Laval insisted that Mussolini would never negotiate under the threat of oil sanctions and therefore a suitable proposition must be made before December 12th. Laval at the same time urged that a British Cabinet officer, preferably Mr. Baldwin, should come to Paris that he might consult with him on the negotiations he was already conducting with the Italian Ambassador. Consequently when the Foreign Secretary agreed to visit Laval on Saturday he knew the implications, and on Sunday, with the Prime Minister's specific consent, accepted the general content of the Franco-Italian proposals. Eden's position in the Cabinet became almost untenable. Upon urgent persuasion of the Prime Minister, and also allegedly the King, he did not resign his office and will go to Geneva today to make the best face he can for the benefit of the strong group constituting the League of Nations Union in Great Britain which includes all shades of political opinion.

Mr. Baldwin offered no case for the Government in Parliament last evening, but hinted at a case he could make at the proper time which he "would guarantee not a man would go into the lobby against".

While there is no specific information available, the following is the general interpretation: European peace must be based on the League of Nations, which has been threatened by Italy and which does not include Germany, or on the other hand upon agreement between the principal European powers with the hope that if such agreement is made outside the framework of today's League, it may eventually be brought within the framework of tomorrow's League. Consequently there is foundation for the belief that Vansittart, who preceded Sir Samuel Hoare to Paris last week, discussed the Anglo-French-German situation, not only from the political angle but from the possibility of a reconsideration of some arms limitation agreement before England enters on competitive rearmament.

The full repercussions of this Cabinet policy are still impossible at present but there is much criticism of the Government from all shades of political opinion.

BINGHAM

765 84/3020 : Telegram

The Consul at Geneva (Gilbert) to the Secretary of State

GENEVA, December 11, 1935—3 p.m.
[Received 4 p.m.]

646. Consulate's 644, December 10, 3 p.m.[15] The general situation as it has developed here is marked by confusion. I encounter no valid forecast as to what may eventuate in the Committee of Eighteen. Perturbation is manifest over the possible purport of Laval-Hoare conversations augmented by press despatches such as that of Pertinax suggesting that they envisaged substantial concessions to Italy; but apart from the debate in the House of Commons nothing definite appears to be known here either of the substance or of the status of an "agreement" if such has been reached.

And the question here is also in regard to what may have transpired in Paris beyond what was brought out in the Commons debate.

Consulate's 576, November 4, 5 p.m. final paragraph. This perturbation and uncertainty are especially in evidence among a number of small delegations including certain British Dominions. Among thoughts expressed by the smaller power delegations are that the recent Franco-British arrangements in Paris include compromises involving European political adjustments. It is also alleged by certain [persons?] who are acquainted with it that the project mentioned in

[15] *Post*, p. 874.

my telegram under reference to defer the date for the application of an embargo on oil, aside from other reasons, has the intent of discouraging American action, the thought being that should the United States take action in this respect the League would be compelled to follow suit.

There are preoccupations among the small powers as to whether the economic sacrifices they have made in applying sanctions may not prove from their point of view to have been in vain. With a view to illustrating the picture here, at a luncheon today at the Turkish Minister's at which I was present the Minister said that he could only describe the situation existing here as one of consternation and he openly stated his belief that no matter what the outcome of the general British-Italian negotiations might be that the small powers' confidence had been so shattered that it could scarcely be recaptured. What he had to say was echoed by the Bulgarian, Finnish and Polish Ministers who were also present.

The majority of the representatives here of the small powers are apparently unaware of the plan respecting the date for the application of an embargo against Italy on oil and on the other products mentioned in my telegram under reference. The technical position which they take and which they state they will endeavor to see adopted is that the Committee of Eighteen should propose such an embargo and that at the latest the date of its application should be fixed for January 1st.

It is generally felt, however, that the small powers despite the feelings which they evidently entertain will not oppose any great power determinations respecting action here. Although it is not known what position they may take there is a lack of leadership among them and Russia is unable to assume such a role as it is apparent that she has all along wished to avoid open attribution of her activities to an anti-Fascist policy.

Whether these apprehensions of the small powers are justified or whether they will not be put at rest by later developments remains, of course to be seen. I am merely presenting the immediate picture.

Technical questions are discussed as to whether the League states will be informed concerning the Paris conversations in line with Van Zeeland's statement reported in my 571, November 3, 3 p.m. with which Great Britain and France are supposed to have been in agreement which calls for an exposé to the Coordination Committee but not however to the Committee of Eighteen. In respect of Rome's possible acceptance of the Paris proposals either as a basis for negotiations or otherwise it is held that under the Van Zeeland statement Great Britain and France are at least under moral obligations to make their substance known to the League for its approval before their being imparted to Rome (information here is that this has definitely oc-

curred) or in any event before possible Italian action creates a *fait accompli.*

In conversations with officials of the Secretariat they admit to me that whatever outward attitude the higher officials of the Secretariat may adopt they likewise reflect the general confusion and are unable to forecast what may eventuate.

A private meeting of the Council is scheduled for December 17 for the stated purpose of dealing with the Assyrian refugee problem. There is, however, an undercurrent of belief that the convening of the Council at this time might in reality be motivated by the possible convenience of having the Council present in Geneva for employment in the Italo-Abyssinian affair which remains technically before the Council and not before the Assembly and speculations are expressed concerning a revival of the Council Committee of Five.

GILBERT

765.84/3142

The Ambassador in the United Kingdom (Bingham) to the Secretary of State

No. 1854 LONDON, December 11, 1935.
[Received December 19.]

SIR: I have the honor to report that published accounts emanating from Paris within the last twenty-four hours of a purported agreement between Sir Samuel Hoare and M. Laval for possible terms of settlement of the Italo-Abyssinian conflict have produced the most widespread interest, and even alarm, in this country which was reflected yesterday in a rather embarrassed debate in the House of Commons. The Prime Minister, speaking first, fully recognized the anxiety prevailing but said that it was impossible for him at the present state of negotiations to disclose the exact nature of the proposals. He told the House, however, that the Committee of Coordination at Geneva had approved the negotiations by the French and British Governments in an attempt to find a basis for the settlement of the dispute. Such a basis, of course, would have to be submitted for the views of the parties concerned. Mr. Baldwin said that the Foreign Secretary in passing through Paris had conversations on this subject on Saturday and Sunday with M. Laval, and that certain proposals, both as to substance and procedure, were discussed between them. He said also that quite obviously there had been a leakage in France which had made a difficult and delicate matter incomparably more difficult and delicate. He had not himself studied the original proposals in comparison with the Press reports but he had been told by his advisers, who had studied them, that there were considerable differences in matters of substance.

886401—53——51

In reply to a request from Mr. Attlee, leader of the Opposition, that, in view of the leakage and publication, the House be put immediately into possession of the real proposals, Mr. Baldwin replied that he perfectly understood the question and was not complaining about it, but that he desired to say this to the House:

"I have spent the whole of this morning in consultation with regard to messages that have come through on this matter. I am not at all sure that finality has been reached. I do not think any discussion in this House, before the question has been considered by the parties interested and concerned, could do any good but could do a great deal of harm. I recognize the natural desire of the House for all the information it can have. In my view, a discussion at this moment might do very serious harm, and I am not thinking of the Government but of the whole cause we have at heart. I will undertake to the House that the moment the proposals are agreed upon and have been submitted and we are in a position to lay all the relevant papers, which we cannot do on our own, especially in the middle of negotiations, those papers will be laid before the House, and I will undertake to give a day for discussion at the earliest moment I can and at any rate before the Christmas adjournment."

The discussion further continuing, Mr. Baldwin said that the proposals are simply a basis for discussion, and that there is no precedent for such bases being placed before Parliament and discussed before they have been read and discussed and considered by the parties who are to consider them, according to the procedure of the League of Nations.

Later on in the session, on a continued debate on the King's Address, Mr. Anthony Eden, speaking for the Government, said that he felt he could best serve the House by recalling the origins of the conversations which had taken place in Paris in the last few days. The Coordinating Committee at Geneva when they agreed on the imposition of certain sanctions at the same time specifically approved attempts to find a basis of discussion between the two parties. That Committee particularly welcomed the suggestion that the British and French Governments should seek to find such a basis. "Since the beginning of last month," proceeded Mr. Eden, "we have, with the knowledge and approval of our fellow members of the League, been engaged upon the task of attempting to find a basis of negotiation, a basis of conciliation, which would enable the parties to talk. What we are now doing, therefore, is interpreting the League's wishes that the search for conciliation should be concurrent with the imposition of sanctions. To me that seems to be an eminently reasonable course to pursue. The fact that these conversations have been proceeding is a surprise to no one. In that we have had no illusions as to the difficulty of the task. This is only the first step in a long and complicated enterprise. If it should happen that this basis which was discussed in Paris should commend itself to the principals of the dis-

pute, then a beginning would have been made in the task still before us."

Turning to the question of publicity, it was, he said, true that reports had appeared in a number of papers in Great Britain, all purporting to give an account of those proposals which were discussed and provisionally agreed to in Paris. In all the reports he had seen there were important inaccuracies, and many of the accounts were mutually contradictory. He said it was not possible for him at this time to make public the proposals that were discussed. He said that the proposals agreed to in Paris did not necessarily represent the point of view of the French Government or the British Government, but that they represented suggestions which, in the judgment of those taking part in the discussions, might enable the parties to get together, and that was all that these proposals were intended to do. Mr. Eden, continuing, said:

"Now, I come to the point which has been made that what the Government is now engaged in doing is contrary to the League and contrary to the principles of the Covenant. Very well. If that be so, then of course it is for the League to say so. If they do say so we shall make no complaint. We shall be ready to accept their judgment just as we have been ready to take our part in this very unwelcome task. The League placed its confidence when it approved of our undertaking this task. We have every confidence in the judgment of the League when they come to examine these proposals. Now I have told the House all I can at this stage, and I can only ask them to appreciate both my position and my responsibilities."

The serious alarm which these reports from Paris have created is widely reflected in the London Press this morning, including even the pro-Government *Daily Telegraph*. The only note to the contrary was contained in a strange editorial in the *Daily Mail*, entitled "Better News This Morning", in which the most enormous satisfaction was expressed at the reported proposals from Paris.

The following paragraphs appear in an article by the political correspondent of the *Daily Telegraph:*

"These reports, which the British Government has been at no pains to correct—Mr. Eden merely said that they contained inaccuracies—have caused great anxiety among members of all parties in Parliament. The suggestion that the Cabinet is prepared to see large areas of Abyssinia handed over to Italy is regarded as unbelievable in view of the Government's many declarations on the subject.

"The plain fact is that the Government, in the opinion of their Parliamentary supporters, might have removed the still lingering feeling of uneasiness by a plain denial of extravagant statements regarding the settlement terms."

Respectfully yours,

For the Ambassador:
RAY ATHERTON
Counselor of Embassy

765.84/3036 : Telegram

The Consul at Geneva (Gilbert) to the Secretary of State

GENEVA, December 12, 1935—6 p.m.
[Received 10:25 p.m.]

649. 1. At a private meeting of the Committee of Eighteen today Laval reviewed previous declaration which had been [apparent omission] by Hoare and himself respecting their efforts to conciliate the dispute and concluded by saying:

"The Italian and Abyssinian Governments were informed yesterday of our suggestions. We propose to communicate them very shortly to the Council of the League.

"Our task will then be at an end and it will be for the League itself to decide what is to be done. We are at least confident that it will appreciate the loyalty of an effort which I say again had no other purpose than to hasten the settlement within the League itself of a dispute of which the prolongation weighs heavily on the world."

Eden then made the following statement:

"Last November, as my colleagues will recall, when the Coordination Committee agreed upon certain sanctions which are now in force, at the same time it specifically approved all attempts to find a basis of discussion between the two parties to this dispute, and it particularly welcomed the suggestion that His Majesty's Government and the French Government should seek to find such a basis. We have no mandate from the Coordination Committee and that Committee had no power to give us such a mandate, but my colleagues will remember that we had their unanimous good will in our task. What therefore the representatives of the United Kingdom and French Governments have been seeking to do in Paris was to work out proposals that might be submitted to both sides and upon which both sides might be willing to come together in open discussions here at Geneva. These conversations in Paris were begun with the approval of members of the League and neither the French Government nor ourselves have at any time had any other intention than to bring the outcome of our work to the League for the League's information and judgment.

"The proposals now put forward are neither definite nor sacrosanct. They are suggestions which, it is hoped, may make possible the beginning of negotiations. If the League does not agree with these suggestions we shall make no complaint, indeed we shall cordially welcome any suggestions for their improvement. The policy of His Majesty's Government remains today what it has been since the dispute began. Any final settlement must be acceptable to the League as well as to the two parties in conflict.

"In the circumstances, it seems to me that the best procedure to follow at the present time is to call together the Council at the earliest moment practicable in order that a full statement of the proposals should be made to it. It will be for that body to determine as and when it sees fit what course it would wish to pursue in the light of the

situation thus created, and in advance I emphasize that as far as His Majesty's Government is concerned we will not only readily accept the judgment of our colleagues but we will continue to use our best efforts to further the two objectives which have been constantly before us in this dispute—the restoration of peace and the maintenance of the authority of the League."

The Chairman thanked the French and British representatives for their declarations, but said that it was not for the Committee to discuss them.

The representative "emphasized that the important declarations that have been made created a new situation. He would abstain from any comment on the merits for this was a task for a competent organ of the League. He thought that the declarations of M. Laval and Mr. Eden obliged the Committee to be very prudent and to abstain from interference with the task of the Council. The Committee's work was legally independent of the League, but he was influenced by political events, and especially by the efforts for a restoration of peace. While he considered that it was for the competent organs of the League to consider the importance of what had happened, he felt that the Committee should abstain from any further political action until the Council of the League had exhausted its views on the suggestions of France and the United Kingdom. The adoption of further measures by the Committee might prove an obstacle to the work which the Council will have to undertake."

2. The Committee will begin consideration of the experts' report tomorrow.

3. From informed sources the situation appears to be about as follows. The British and French positions are that no action be taken on the question of the embargo on raw materials until the matter of the Paris proposals will be privately transmitted by the British and the French to Council members tomorrow. Both the British and the French would like to have a Council meeting held on Saturday to consider these proposals but the small powers insist on a delay in order to study them and a Council meeting on this subject will take place next week, probably Wednesday. There is also in this delay the factor that replies may by that time have been received from Rome and Addis Ababa.

The British privately forecast the Council's disapproval of the proposals. This forecast was so stated as to imply a hope to that effect, a member of the British delegation saying to me frankly that unfavorable Council action would "pull us out of a hole."

4. Consulate's No. 646, December 11, 3 p.m. The general situation is still one of confusion and depression and it is difficult to forecast what may transpire. The temper of mind among the small-power

delegations is illustrated by expressions of belief that the exposé of the Paris conversations to the Council will not reveal all that took place at Paris and that secret arrangements were made there between Great Britain and France and possibly also with Italy.

GILBERT

765.84/3034 : Telegram

The Minister in Switzerland (Wilson) to the Secretary of State

GENEVA, December 12, 1935—11 p.m.
[Received December 12—9 : 52 p.m.[16]]

356. I just had a talk with Eden. He told me that he had been on the point of sending a message to Lindsay, for your information, when he learned that I was here.

Hoare had gone to Paris determined to play to get an accord with the French. Repeated reports from Rome had given rise at least to the apprehension that Mussolini would attack Great Britain if the oil embargo was established, this despite the fact he appeared to know that he was beaten before he started but he seemed to prefer to be beaten by the British Empire than by the League of Nations. There was no question, Eden continued, as to the commitments of the French Government to back up Great Britain in this eventuality but with the best will in the world Laval seemed doubtful as to whether he could lead France into participation in hostilities. I may add parenthetically that a number of good observers have questioned whether France would march even if the Government so desired. Furthermore, Eden said the British had been trying out others of the most willing participants in sanctions as to their attitude in the eventuality of hostilities and the reply had not been highly satisfactory.

He also expressed concern regarding "the result of fleet action in narrow seas."

The British Government therefore felt that it was essential to make the greatest possible efforts towards conciliation. Obviously if conciliation fails they are in a better position to demand from the others precisions as to their attitude in the event that hostilities arise from the continuation of the application of sanctions. The British Government, Eden claims, has not changed its policy. It has been part of its objective from the first to endeavor to bring about an agreement, if possible, and it is prepared to continue with the League in the application of sanctions and the extension of sanctions if this attempt fails.

He says it is by no means sure that Mussolini will accept. Indeed, very confidentially, the latest reports from Drummond threw extreme

[16] Telegram in two sections.

doubt on his acceptance. Eden is most concerned as to the situation in which they would find themselves if Mussolini accepts and the Negus refuses. The British Government could not contemplate bringing pressure to bear on Abyssinia to accept these terms.

He then sketched to me the terms of agreement. Relying on my memory I repeat as accurately as I can: in the North, Adowa (excluding Aksum) and a portion of the Danakil Desert are transferred to Italy. A section of Eritrea northwest of French Somaliland including Assab considerably more than a "corridor" is ceded by Italy to Ethiopia. In the South there is a rectification of the frontier of Ogaden. The territory bounded on the North by the eighth latitude and on the West by the 36th longitude to be sanctioned by the League without surrender of Ethiopian sovereignty, in which administration Italy plays a prominent part, including colonizing and economic rights. The status of the territory is not discussed in detail, although obviously the matter of policing will be the critical feature. While the plan on which Peterson [17] had been working had provided for approximately the same exchange of territories in the North, in the South it had provided for territorial exchanges only.

.

WILSON

765.84/3049 : Telegram

The Chargé in Ethiopia (Engert) to the Secretary of State

ADDIS ABABA, December 13, 1935—noon.
[Received 2:55 p.m.]

225. Anglo-French proposals were submitted this morning and will be forwarded to the Emperor at Dessie by plane. Precise terms not yet known here.

ENGERT

765.84/3059 : Telegram

The Consul at Geneva (Gilbert) to the Secretary of State

GENEVA, December 13, 1935—8 p.m.
[Received December 13—5:40 p.m.]

653. The Secretariat circulated this afternoon: the text of the Franco-British proposals for a settlement of the Italo-Abyssinian dispute; [18] a communications from the Abyssinian Government to the

[17] Head of the Abyssinian Department of the British Foreign Office, who with M. St. Quentin of the French Foreign Office, prepared a plan of settlement which became on December 8 the Hoare–Laval peace plan.

[18] League of Nations, *Official Journal*, January 1936, p. 39.

Secretary General dated today in regard to the proposals;[19] the reply of the Secretary General to the latter.

I am informed that full texts are being telegraphed by the American press agencies here.

GILBERT

765.84/3078 : Telegram

The Ambassador in France (Straus) to the Secretary of State

PARIS, December 16, 1935—1 p.m.
[Received December 16—10 a.m.]

1046. Marriner talked with Massigli[20] this morning who feels that the total result of the efforts to arrive at a plan acceptable to Italy and Ethiopia has been a definite set back; that the small nations in Geneva are most highly indignant at the whole proceeding and will certainly press for nonacceptance of the proposal and possible extension of sanctions. He feels that the situation in Great Britain is much embittered by Sir Samuel's acceptance of the terms suggested, the whole thing having been made singularly worse by the leak in the French press which made it possible to publish the day following the conversations a reasonably accurate summary of the contents of the proposals. Massigli felt that the situation, bad as it was, did not endanger the Laval Government here since Herriot had been aware of the proposals before Laval went to Geneva and likewise because from the way the parliamentary program was arranged there was no present possibility of a vote of confidence on these proposals before the Christmas recess Massigli said that they would all be arrived at Geneva under blacker circumstances than ever before and no one could foresee the outcome. He felt that Mussolini had failed to play a trump card when he failed to accept the conditions exactly as proposed and his quibbling and delay were a further indication of the lack of judgment which made the whole outlook dark.

STRAUS

765.84/3082 : Telegram

The Chargé in Ethiopia (Engert) to the Secretary of State

ADDIS ABABA, December 16, 1935—2 p.m.
[Received 2:40 p.m.]

235. My 225, December 13, noon. Emperor has declined to accept Anglo-French proposals or even to discuss them as a possible basis of negotiations.

ENGERT

[19] League of Nations, *Official Journal*, January 1936, p. 41.

[20] René Massigli, Assistant Director for Political Affairs at the French Ministry for Foreign Affairs.

765.84/3086 : Telegram

The Ambassador in the United Kingdom (Bingham) to the Secretary of State

LONDON, December 16, 1935—7 p.m.
[Received December 16—6 : 58 p.m.]

629. The Foreign Secretary returned to London today. Inasmuch as he is not yet able to assume his duties, I called by appointment on the Under Secretary of State for Foreign Affairs this afternoon, who immediately launched into a statement, substantially as follows:

He said that despite the situation existing in the world and its obvious complications, a realistic view would be comparatively simple. In fact, it might be reduced to a mathematical formula. In the case of Manchukuo, the League itself and no member of it was willing to stem the aggression of Japan and consequently the aggressor secured 100%. In the present situation between Italy and Abyssinia, Great Britain alone was willing to take steps and to incur dangers and if necessary to go to the limit, so that in this instance it was possible for the aggressor to get only about 50%. He said that the question was whether or not the members composing the League, and the rest of the world, desired Italy to have 100% or whether it is a mark of progress when the aggressor succeeded in obtaining only 50% and that from the standpoint of his Government was the whole situation in a nutshell.

He said that the British Government had been criticized in many countries, for example in Sweden, but that no other country had made any offer whatever of any real support; that so far as the French were concerned the British had exhausted every resource in bringing them into support of their position as against the aggressor in this instance; that the French had vacillated; that Laval's leadership was and is weak and uncertain and that it was only at the end of months of the utmost effort that finally France had agreed to support the British in the event Italy attacked the British fleet in the Mediterranean. He said that while his Government had moved its fleet into the Mediterranean, no other Government had made any similar contribution to prevent the onslaught on Abyssinia; that if the French had been willing to mobilize on their Italian border and, for example, the Yugo Slavs on their Italian border, and had given the British active and actual support, the whole trouble could have been averted. The Under Secretary said further the world must face now the imminent danger from Germany and that the small nations composing the League, who had been unwilling to take any actual or active steps against Italy, in his opinion, in a short time would be compelled to face the menace of German aggression. For example, he expected within a compara-

tively short time that Germany will take Memel; that then those nations, which now say that Italy and Abyssinia are far away from them, will have an aggressor near their own borders and be compelled to answer the question as to whether or not the aggressor shall take and keep what he can without any military effort on their part. I asked him about reports that there had been some further conversations between Britain, France and Germany, tending possibly towards some sort of conversation between these three nations. He said there had not; that several months ago his Government approached the German Government and did so on several occasions without any response from Germany; that now within the last few days the British Ambassador in Berlin had again approached the German Government and it had made a flat refusal to accept any kind of agreement. He added that his Government knew that the German war factories had been on a war basis at least since the first of last January, and now they are merely biding their time watching the difficulties aroused by the Italian-Abyssinian situation with the determination to strike as soon as they think the time is most favorable, and in his opinion that time is not very far off. He said that the Germans will play the game the same way that Japan has done, and that it is extraordinary to him that many of his own countrymen seem to have no realization at this time of the fact that they may be at war with Germany and that there will be a general European war provoked by Germany within the near future, in his opinion at the outside in not more than one year. The Under Secretary said that at the debate on Thursday in the House of Commons the present situation would be put frankly and bluntly before the people of this country and the British position stated clearly, not only for the British people to see and know, but for the rest of the world. He then repeated that it was idle to take any but a realistic view of the situation which was full of menace, and folly for anyone, including his own countrymen, to attempt an idealistic point of view in the face of the situation with which the world is confronted. He believed that in a comparatively short time it might well happen that the Italian-Abyssinian difficulty would appear to be of minor importance compared with the impending dangers he saw over Europe.

BINGHAM

765.84/3087 : Telegram

The Ambassador in the United Kingdom (Bingham) to the Secretary of State

LONDON, December 16, 1935—8 p.m.
[Received December 16—7 : 11 p.m.]

630. The American press agencies inform me that they have cabled fully the reaction of the British press to the Hoare-Laval proposals

of December 8. Government White Paper [22] goes forward by next pouch. The reception here, with the exception of the extreme right newspapers, continues in violent terms to denounce the plan as tantamount to a rank betrayal of trust, and strong Government supporters admit complete astonishment and humiliation.

Supplementing the point of view expressed by Vansittart in his conversation with me this afternoon (see my 629, Dec. 16, 7 p.m.), the following points reported to me from a very confidential conversation by Vansittart may be of interest:

In their Paris discussions Hoare and Vansittart came to the conclusion that the League was in reality no stronger than the armed forces of Great Britain. Laval, having pointed out that France could go no farther in support of the imposition on oils, and that, indeed, if the imposition of oil sanctions led to a state of war France might be unable to support Great Britain even with naval strength in the Mediterranean. A mobilization of the French fleet would require a mobilization order which Laval believed might result in disorders in Toulon and Marseilles, and this the French Government could not afford to contemplate at this time. Indeed, the British Government had not been able to ascertain that any state contemplated compliance with the mutual assistance provisions set forth in article 16 of the Covenant. In this connection reference was made to Sir Samuel Hoare's statement: "if the risks for peace are to be run they must be run by all. The security of the many cannot be insured solely by the efforts of a few, however powerful they may be." [23]

Consequently Vansittart felt it necessary, and persuaded Hoare to the same point of view, that the British Cabinet must understand the League powers today were not prepared to carry to its logical conclusion the policy of stopping aggression, and that if this were true in the present instance, vis-à-vis a small power like Italy, what a catastrophe it would be for England if this country lulled itself into a false sense of security in the next 2 years, believing that the League would be able to stop German aggression.

These arguments were the basis used in obtaining Baldwin's acquiescence on Sunday and Cabinet agreement on Monday for the proposed terms to be sent off to Rome and Addis Ababa.

BINGHAM

[22] British Cmd. 5044, Ethiopia No. 1 (1935).

[23] Quoted from Sir Samuel Hoare's speech of September 11, 1935, Sixteenth Assembly of the League of Nations; League of Nations, *Official Journal*, Special Supplement No. 138, p. 43.

765.84/3094 : Telegram

The Ambassador in France (Straus) to the Secretary of State

PARIS, December 17, 1935—5 p.m.
[Received December 17—2 : 25 p.m.[24]]

1050. When the discussion on the budget reached the credits for the Ministry for Foreign Affairs in Chamber this morning the Premier delivered a brief declaration in justification of the Hoare-Laval proposals. This declaration which was subjected to violent interruption from the Left was fairly well received but in the opinion of experienced observers has done little to help clear the atmosphere.

Following Laval's declaration Blum, the Socialist leader, pressed for an interpellation on foreign policy to which the Premier replied that he would put the question of confidence on the postponement of this interpellation to December 27th. Due to the lateness of the hour it was agreed that the Chamber on reconvening this afternoon would decide when the debate shall take place. It is now understood that the Socialists and Radical Socialists are pressing for December 20 as against December 27 as suggested by Laval. The vote of confidence this afternoon therefore will be on the question of procedure and not upon the substance of the interpellation.

Laval in his declaration stated that the respect of France for the Covenant had from the beginning been shown not only in words but by deeds and that everything possible had been done to prevent war. When war had been declared France had put to work in Geneva the mechanism of collective security. Sanctions were not the only method of preventing hostilities. It was also within the letter and the spirit of the Covenant to seek as rapidly as possible a peaceful solution. On the question of sanctions even before the declaration of hostilities France had been in accord with the British Government (1) not to apply military sanctions and (2) not to adopt any measures which might lead to a naval blockade. In other words all measures had been taken which might avoid any extension of the Italo-Ethiopian conflict in Europe. He had rallied to the British thesis so as not to permit any weakening of a collaboration which insofar as France was concerned was an essential element of security. He then proceeded to a recapitulation of the efforts France had made since last August to bring about a settlement of the conflict and justified the plan which he had drawn up in complete agreement with Sir Samuel Hoare. This telegram had been communicated to the Italian and Ethiopian Governments and was known in Geneva. He had never pretended that the suggestions in this plan should be imposed upon either of the belligerents. The initiative had been taken through a desire definitely expressed by states members of the League on November 2 for France

[24] Telegram in three sections.

and Great Britain to continue their efforts of conciliation. The moment had now come when the possibility for the adoption of new measures could be foreseen. He spoke in the name of a country which respected its engagements and which according to the terms of paragraph 3 of article 16 of the Covenant might even be brought into war.

There had been talk of "premium on aggression" but France had only collaborated in drawing up a plan and had not participated in any decision. In so doing she had fully collaborated with the League of Nations and it was the League which would eventually have to decide.

Did the Chamber desire France to have recourse to the full and brutal application of all sanctions? Did it wish to reconsider the Geneva decisions which never provided for anything but sanctions of an economic character? He concluded by affirming that France would remain with the spirit of the Covenant and it was with a desire to avoid the possibility of hostilities that he had proposed formulæ which might lead to a peaceful and honorable settlement of the conflict, a solution incidentally which would bear the approval by the League.

The vote of confidence on the question of procedure has just been concluded and Laval carried the day by 304 votes to 252. In a brief statement prior to the casting of the vote he announced that he would rather resign from office than to proceed to Geneva tonight with any other policy than that which he had advocated this morning. The debate on foreign policy will therefore definitely take place on December the 27th. At the rate at which the budget debate is progressing it appears possible, barring unforeseen complications that it may be passed in the Chamber within the next few days.

STRAUS

765.84/3129 : Telegram

The Consul at Geneva (Gilbert) to the Secretary of State

GENEVA, December 18, 1935—9 p.m.
[Received 9:15 p.m.]

664. 1. The Secretariat [*Secretary General?*] this afternoon circulated a communication [25] addressed to him today by Abyssinian Government which gives a long juridical discussion of the League procedural background of the Italo-Abyssinian dispute to date and points out that the Franco-British proposals, both in substance and in form, are not consonant therewith. Local American press agencies are telegraphing the essential portions of this communication and I am mailing the full text. It will be noted that the discussion is a continuation of the line of argument advanced in the Abyssinian communication reported in my telegram number 653, December 13, 8 p.m.

[25] League of Nations *Official Journal*, January 1936, p. 42.

2. At the meeting of the Council this afternoon the President announced the receipt of this communication and stated that it did not constitute a reply to the Franco-British suggestions.

GILBERT

765.84/3132 : Telegram

The Consul at Geneva (Gilbert) to the Secretary of State

GENEVA, December 18, 1935—9 p.m.
[Received December 18—8:15 p.m.]

665. At a public meeting of the Council this afternoon the President referred to the receipt by the Council of the Paris proposals and said that while no reply has been received from either Italy or Abyssinia a letter asking that the Assembly be summoned, as well as a declaration "not constituting a reply" had been received from Abyssinia. As the Council was due to meet today the President of the Assembly had stated that a decision could not be taken on the Abyssinian request until after the Council's deliberations.

2. Eden then made a declaration defending the effort made by Paris and London to formulate "a basis of discussion", stating that "even if this attempt is to be unsuccessful the essential importance of conciliation remains." He concluded by saying that if it transpires that the Paris proposals do not satisfy the "essential conditions of agreement by the two parties and the League, His Majesty's Government could not continue to recommend or support them."

3. Laval followed with a brief statement to the effect that the Anglo-French proposals were inspired by a desire to seek a friendly settlement "in conformity with the letter and spirit of the Covenant."

In conclusion, he declared that if the attempt was not approved by all parties concerned "the Council would not be relieved of the duty incumbent on it to neglect no means of attaining a just and honorable solution for the present dispute."

4. The Abyssinian delegate then made a lengthy address outlining juridical reasons for his country's position that, while she would raise no point of jurisdiction between the Council and the Assembly, she was determined to have her voice heard by the League; that until the League had studied the proposal[s] she would make no reply to them. He, incidentally, pleaded for assistance in obtaining war material for defensive purposes.

5. The Council adjourned without fixing the date for its next meeting.

6. I am informed that press agencies are carrying the Eden and Laval statements in full, and the substance of the Abyssinian speech.

GILBERT

765.84/3198 : Telegram

The Chargé in Ethiopia (Engert) to the Secretary of State

ADDIS ABABA, December 18, 1935—10 p.m.
[Received December 20—2:40 p.m.]

240. My 235, December 16, 2 p.m. Official Ethiopian reply will be handed to British and French Ministers tomorrow. In the meantime Emperor at Dessie has issued following statement "We desire to state with all the solemnity and firmness which the situation demands today that our willingness to facilitate any pacific solution of this conflict has not changed but that the act by us of accepting even in principle the Franco-British proposals would be not only a cowardice toward our people but a betrayal of the League of Nations and of all the states which have thought that they could have confidence up to now in the system of collective security. These proposals are the negation and the abandonment of the principles upon which the League of Nations is founded; for Ethiopia they would consecrate the amputation of her territory and the disappearance of her independence for the benefit of the state which has attacked her. They imply the definite interdiction for her own people to participate usefully and freely in the economic development of about a third of the country and to confide this development to her enemy who is now making his second attempt to conquer this people. A settlement on the basis of these proposals would place a premium upon aggression and upon the violation of international engagements. The vital interest of Ethiopia is in question and for us this takes precedence over every other consideration. But in reaching our decision we are not unmindful that the security of other peaceful weak or small states will be made doubtful if such a recompense should be accorded to a state already condemned as the aggressor and at the expense of the state victim of its aggression."

ENGERT

765.84/3197 : Telegram

The Chargé in Ethiopia (Engert) to the Secretary of State

ADDIS ABABA, December 19, 1935—9 a.m.
[Received December 20—2:25 p.m.]

241. I think the Department will be interested to learn that during the early part of this month the last of the Italian missionaries, referred to in the Legation's 112, October 5, 2 p. m., left the country. The British and French Ministers who have informally been looking after them tell me that not one single instance of ill-treatment has come to their attention. On the contrary all reported that they had been treated with courtesy and even kindliness by the authorities and people.

Considering that they were scattered all over the interior and spent many weeks traveling to the Sudan or Kenya or this capital while war with their country was in progress and troops were being mobilized everywhere, the fact that they were able to leave in safety and unmolested has made a very favorable impression among foreigners here. While the Emperor and local authorities deserve much credit they would have been powerless to prevent incidents if the natives were as barbaric as the Italian Government represents them to be. It remains to be seen whether the strain of drawn out hostilities and indiscriminate bombing of civilian populations will make the natives less tractable.

ENGERT

765.84/3200 : Telegram

The Chargé in Ethiopia (Engert) to the Secretary of State

ADDIS ABABA, December 19, 1935—5 p.m.
[Received December 20—11 : 50 p.m.]

243. My 240, December 18, 10 p.m. Ethiopian reply was handed to British and French Ministers this afternoon. After reviewing briefly the situation leading up to and since the outbreak of hostilities it proceeds (translation from the French) : [26]

"We are convinced that neither the Council nor the Assembly of the League of Nations will support such a project of settlement going outside the framework of the Covenant, destructive of the very basis upon which that organism was founded, attack the independence and the territorial integrity of a member state and involve a premium to the aggressor at the expense of the injured party. Persuaded as we are that Italy possesses the most modern means of making war and that it has decided to decimate our people and to conquer our territory but confiding in the power of our Creator and the justice of our cause recognized as such by World opinion we are resolved to defend to the end our land and our liberty.

At a time when an International Institution for collective bargaining of peace exists and as Italy has been condemned by this Institution and as this invader commits barbarous acts and contrary to the laws and usages of war, we ask ourselves what are the reasons why it is proposed to us to retain anything but a nominal sovereignty over about a third of our territory which would be abandoned to Italy and to partition likewise to the profit of that power our people and our province of Tigre.

The proposed zone of establishment and of economic development which would be reserved exclusively to Italy evidently finds its origin in the Triparty Treaty of 1906, a treaty which has not been accepted by Ethiopia in that which concerns its provisions tending to accord in Ethiopian territory a favored economic treatment to nationals of any foreign power whatever. This treaty included, nevertheless, the

[26] Complete text printed in *New York Times*, December 20, 1935, p. 22.

recognition by the three powers of the full independence and territorial integrity of Ethiopia, which, however, did not prevent one of its signatories from undertaking a war of conquest of our territory and of our people. The proposals in question are likewise contrary to the principles laid down by the Franco-Ethiopian treaty of 1908 of equal treatment for all foreigners in Ethiopia of interdiction of commercial or economic privileges and monopolies and of maintenance of the open door. They tend to institute in Ethiopia, a free and sovereign nation, a system worse than that of the mandate. The mandatory system in fact always safeguards the rights of the native population and seeks to promote and encourage its economic progress; it includes as a fundamental principle equality of treatment for the nationals of all member states of the League of Nations. The project respects only rights already acquired by Ethiopian and foreign nationals and in consecrating in favor of Italians an exclusiveness of future economic initiative it assures by the absence of any possibility of competition the development of this region by Italy alone and for its own profit.

To demand of us to make such sacrifices in favor of the aggressor would be to prepare the dismemberment of Ethiopia and to collaborate in the collapse of the sacred principles of the League of Nations and of the system of collective security.

We have confidence that the French and British Governments in common with all the other member states of the League of Nations which have studied this conflict closely will apply themselves to assure the respect of the legitimate rights of Ethiopia and that the League of Nations will take all measures provided for in the Covenant against the aggressor to stop the war deliberately launched by it.

In conclusion, we inform you that we think we must communicate the present *aide-mémoire* to the Council of the League of Nations."

I have now also succeeded in obtaining full text of Anglo-French proposals of December 13th and shall telegraph them if Department has not already received them from another source.

ENGERT

765.84/3205 : Telegram

The Chargé in Ethiopia (Engert) to the Secretary of State

ADDIS ABABA, December 20, 1935—11 a.m.
[Received December 21—6:27 a.m.]

244. Legation's 243, December 19, 5 p.m. In making public the proposals and Ethiopian reply, the Government issued following unofficial statement to correct erroneous impression certain passages in proposals might create.

"One passage of the Franco-British proposals is susceptible of giving an entirely false impression of the prior attitude of Ethiopia relative to the plan of assistance of the League of Nations. The fourth paragraph of part II of the proposals mentions the plan already prepared and accepted in principle by the Emperor, and continues by declaring that Italy would take a preponderant part in the services

and that the principal adviser the plan might be an Italian. It should be emphasized that at the time of the offer submitted to the tripartite conference of Paris and also the subsequent acceptance in principle of the plan of the Committee of Five, Ethiopia categorically rejected all Italian personnel reserving its right of approval of every candidate to office of employment under the plan."

Please see in this connection second paragraph of Legation's 101, September 25, 9 p.m. [*a.m.*] [27]

ENGERT

765.84/3212 : Telegram

The Chargé in Ethiopia (Engert) to the Secretary of State

ADDIS ABABA, December 21, 1935—noon.
[Received December 24—2 : 50 p.m.[28]]

246. Legation's 243, December 19, 5 p.m. With the rejection of the Franco-British proposals the Italo-Ethiopian conflict enters upon a new phase, and although the absence of the Emperor and other high officials renders it difficult to obtain first hand impressions, the following comments are based on conversations with persons close to the Emperor who have recently seen him at Dessie, as well as on a careful personal study of the whole situation:

1. To say that Ethiopia is grievously disappointed is putting it very mildly. If the proposals had come from France alone she could have understood it but to see Great Britain associated with them has filled her with dismay. Great Britain had been looked upon as the only great power sincerely anxious to make the League of Nations a reality and the one steady driving force behind League action in the present crisis. See the Legation's telegram 102, September 26, 11 a.m.[29] But now profound skepticism as to the purity of British motives is beginning to be felt in view of Great Britain's apparent weakening on the question of principle.

2. Although Hoare declared some time ago that there was no question of "sidetracking the League" or of a "disreputable deal" with Italy, the unusual degree of secrecy surrounding the recent peace making efforts of British and French experts in Paris inspired no confidence in Ethiopia. See also Legation's 154, November 3, 10 p.m. While it was claimed that these negotiations were entirely within the framework of the League and had the blessing of the Coordination Committee, their results are looked upon here as a betrayal of the Covenant and a breach of faith with Ethiopia. Having all along realized the great risk of relying on League action the proposals now

[27] *Ante*, p. 657.
[28] Telegram in four sections.
[29] *Ante*, p. 659.

submitted by Great Britain and France confirm the worst fears of Abyssinians by what seems to them virtual dismemberment of their country under League auspices.

If all powers, it may be argued, place political and economic nationalism above the preservation of world peace or if every small and weak nation is to be sacrificed in order to prevent ill-feeling between the large ones it will encourage treaty breaking in the future that neither the League nor any other form of collective security will ever recover from the blow.

3. Great difficulty is experienced in understanding British mentality which allowed itself to become co-sponsor of terms it must have known would be unacceptable to Ethiopia for the British Legation here had repeatedly warned its Foreign Office that such tentative proposals stood no chance of acceptance. It is clear now that the step was a mistake involving serious danger to British prestige not only in this country but in Europe as well, for it looked as if England had been frightened into bringing pressure to bear on Ethiopia and while the enemy was in occupation of part of her territory. And the resignation of Hoare proved that British public opinion would not stand for this kind of diplomatic scene shifting. My contacts with the British Legation lead me to believe that London, nettled by increasing anti-British resentment in Italy which imputed to her a desire to force upon Italy the choice between diplomatic humiliation or a European war, was eager to prove readiness to go to extremes in seeking a compromise which might end the war without further embittering her relations with Italy.

4. But as France is regarded as holding the balance in Geneva her constant and more or less surreptitious parleying with Rome has not unnaturally led to the firm belief here that Laval bears largest share of responsibility both for the war and the recent abortive peace proposals (see also Legation's 190, November 27, 8 p.m.[80]). The latter are interpreted to be a last desperate effort to save Mussolini's face by persuading London that to extend sanctions to oil, iron, copper, et cetera, meant war with Italy and all that it implied. From members of French Legation and others, I gain impression that Laval has been harassed by dissatisfaction of French business and industrial circles at the prospect of repercussions on foreign trade from drastic sanctions and also alarmed by Italian troop movements to the French border, not to mention serious internal political crisis and opposition from the Right to the extension of embargoes which many here feel Laval may not much longer survive, although Herriot's resignation as party leader is frankly not understood. The Emperor is privately reported to have said a few days ago that France would never be

[80] Not printed.

interested in the punishment of an aggressor unless Germany were the aggressor and that so long as she was afraid of throwing Mussolini into Hitler's arms she would continue to be over tender to Italian feelings.

5. The definite collapse of the concerted Franco-British approach to the problem of conciliation probably means that no fresh efforts to find a solution through diplomatic negotiations will be made in the near future. Even if Italy had given the proposals her unqualified approval—which she apparently did not—it might merely have strengthened France's hand in opposing more extensive embargoes but would not have influenced the Ethiopian Government in the least. The Emperor's attitude has been consistent throughout; he has pleaded his case with great cogency, he never obstructed direct diplomatic negotiations when the latter were still possible.

He demanded arbitration from the beginning and showed a commendable spirit of conciliation when he accepted in principle the recommendations of the Committee of Five. But he has never allowed himself to be intimidated and he will never consent to any compromises consisting of annexations in disguise.

6. At the present time the gulf between Mussolini's idea of an acceptable basis of settlement and what Ethiopia might be prepared to concede is beyond all hope of bridging. Although Italy has never publicly declared what her ultimate and real intentions are, it is obvious that [*from?*] the Duce's speeches that he is out to teach the Abyssinians a lesson which somehow is to bring about a radical and permanent settlement of the East African question. The whole problem is, therefore, squarely back on the doorstep of the League but unless the sanctions to be applied are powerful enough to paralyze the war effort of the aggressor, or his communications are cut by closing the Suez Canal, Ethiopia is sure to be left in the lurch. However, she is by now quite reconciled to the thought of a bitter and single-handed trial of arms and feels today far more confident of the outcome than when the war began.

ENGERT

765.84/3214 : Telegram

The Ambassador in the United Kingdom (Bingham) to the Secretary of State

LONDON, December 21, 1935—1 p.m.
[Received December 21—11 : 40 a.m.]

637. My 632, December 19, 10 a.m.[31] The strength of the general stiffening in tone here for supporting League policy and all it implies is probably a first reaction upon Hoare resignation. The morning

[31] Not printed.

press report denotes considerable speculation to the new Foreign Secretary emphasizing that both Sir Austen Chamberlain and Eden are traditionally strong supporters of the League. Meanwhile, in a speech at Birmingham yesterday the Chancellor of the Exchequer [32] stated *inter alia* "we must go back to the policy of sanctions and in due course I trust that the nations of the League will show, as I believe they will show, that they are prepared to make themselves ready to resist any attack that may be made on any one of their number". This is of particular interest in view of the report that Eden brought back from Geneva assurances from several member states they were prepared fully to implement the League Covenant in the matter of collective action.

I am informed from usually reliable sources that the Foreign Minister has been advised from Rome that there is no reason to believe Mussolini's determination to proceed with the Abyssinian venture is in any way weakened and that Laval quite frankly stated on his return from Geneva that he remained adamant on the question of oil sanctions and, in spite of Mr. Baldwin's declaration in the House, he, Laval, did not regard the Anglo-French peace proposals as dead.

BINGHAM

III. Attitude of the United States regarding proposals for invocation of Kellogg Pact and mediation; appeal by the United States to Italy for a peaceful settlement

765 84/452 : Telegram

The Chargé in Ethiopia (George) to the Secretary of State

ADDIS ABABA, July 3, 1935—5 p.m.
[Received July 3—11 : 55 a.m.]

51. My telegram No. 50.[33] I have learned confidentially Emperor will address a note to me tomorrow invoking Kellogg Pact [34] and will release copies to other Legations and press.

GEORGE

765 84/432 : Telegram

The Chargé in Ethiopia (George) to the Secretary of State

ADDIS ABABA, July 4, 1935—noon.
[Received July 4—6 : 42 a.m.]

52. Unexpectedly summoned to Palace last evening. Emperor gave me oral résumé of events past 6 months concluding that since

[32] Neville Chamberlain.
[33] July 3, noon, p. 612.
[34] *Foreign Relations*, 1928, vol. I, p. 153.

Eden visit to Rome [35] Italy's intention conquest beyond doubt. Referring to last December's exchange with Department (see my telegram of Dec. 19, 10 a.m.[36]), Emperor declared he will continue to pursue Geneva procedure but feels it his duty to ask American Government "to examine means of securing Italy's observance of engagements as signatory of the Kellogg Pact". I had previously mentioned and now repeated circumstances of 1931 invocation.[37] Emperor's oral statement immediately confirmed in writing and being released to press.[38]

GEORGE

765.84/505½

Memorandum by the Secretary of State

[WASHINGTON,] July 5, 1935.

The British Ambassador [39] called at my request, and I showed him despatch dated July 4th from our representative, Mr. George, at Addis Ababa, containing a message from the Emperor of Ethiopia requesting the American Government to "examine means of securing Italy's observance of engagements as signatory of the Kellogg Pact". After the Ambassador had read this despatch I handed to him to read my proposed reply, which is hereto attached.[40] After he had concluded his reading, I said that I desired to have the benefit of his judgment as to whether there was any reason why I should not send the reply as drafted. The Ambassador promptly replied that he knew of no reason why it should not be sent. He added that he felt we had gone further than he had expected in view of the difficult situation that this Government was in with respect to steps to promote peace in such circumstances. I thanked the Ambassador and then stated that the British Government of course had for some time been exerting itself to compose this controversy between Ethiopia and Italy and that of course the United States Government had no disposition to get in the way of the British Government but would let it proceed with the leadership it had already assumed. This seemed entirely agreeable to the Ambassador. He added that Italy was really black-mailing Great Britain, France and other countries, in her present steps to take advantage of conditions to encroach upon the territory of Ethiopia. I inquired of the Ambassador whether his

[35] June 24–26. See statement by Anthony Eden in the House of Commons, Hansard, July 1, 1935, col. 1520–1522.

[36] *Foreign Relations*, 1934, vol. II, p. 770.

[37] See telegram No. 22, December 18, 1934, 5 p.m., to the Chargé in Ethiopia, *ibid.*, p. 769.

[38] Text of Ethiopian note not found in Department files; for content of the note, see London *Times*, July 6, 1935, p. 12.

[39] Sir Ronald Lindsay.

[40] See *infra*.

Government would continue to go forward with every possible influence to settle this controversy. He replied that Great Britain would do all it could in its difficult situation; that it was not in a position to do as much as should be done, or as it would like to do. I inquired whether the French were disposed to cooperate. He replied that he had not yet been able to ascertain the true state of mind of the French Government, that is to say, whether they were assuming to be in worse humor towards Great Britain than they really were, on account of domestic politics. He said he did not believe the French were in a position to do much in bringing about a settlement of the Italian-Ethiopian controversy, and that therefore he did not think they would do much,—although the French were as much opposed to the Italian movement as the British. The Ambassador repeatedly characterized the movement as frightfully mad, in every way unjustifiable, and based more or less on black-mail.

CORDELL HULL

765.84/432 : Telegram

The Secretary of State to the Chargé in Ethiopia (George)

WASHINGTON, July 5, 1935—5 p.m.

31. Your 52, July 4, noon. You are instructed to address a note to the Emperor textually as follows:

"I have the honor to acknowledge the receipt of Your Imperial Majesty's note of July 3, 1935, and to inform Your Imperial Majesty that I immediately communicated its contents to my Government. I have been instructed by my Government to reply to your note as follows:

My Government, interested as it is in the maintenance of peace in all parts of the world, is gratified that the League of Nations, with a view to a peaceful settlement, has given its attention to the controversy which has unhappily arisen between your Government and the Italian Government and that the controversy is now in process of arbitration. My Government hopes that, whatever the facts or merits of the controversy may be, the arbitral agency dealing with this controversy may be able to arrive at a decision satisfactory to both of the Governments immediately concerned.

Furthermore, and of great importance, in view of the provisions of the Pact of Paris, to which both Italy and Ethiopia are parties, in common with sixty-one other countries, my Government would be loath to believe that either of them would resort to other than pacific means as a method of dealing with this controversy or would permit any situation to arise which would be inconsistent with the commitments of the Pact."

Report by telegraph when this note is delivered. Its text will be released to the press here.

Copies sent to Rome, London, Paris and Geneva.

HULL

765.84/454

Memorandum by the Chief of the Division of Western European Affairs (Dunn)

[WASHINGTON,] July 6, 1935.

The French Ambassador [41] came in this morning to take up several minor matters and at the end of his conversation he asked if he might have a copy of the text of the Secretary's note to the Emperor of Ethiopia of July 5. I gave him a copy of the State Department Press Release [42] containing the text of the note. Mr. de Laboulaye said that he understood thoroughly the position taken in the note and further remarked that the Italian Government in his opinion had undertaken a rather more far-reaching venture in Ethiopia than he thought they realized. He further stated that the situation seemed to be requiring the expedition of many more soldiers from Italy than it was advisable to have absent from the continent at the present time. I had the impression that the Ambassador was very guarded in his comment on the Italo-Ethiopian affair.

JAMES CLEMENT DUNN

765.84/443 : Telegram

The Chargé in Ethiopia (George) to the Secretary of State

ADDIS ABABA, July 6, 1935—5 p.m.
[Received July 6—4:50 p.m.]

53. Department's telegram No. 30, July 5, noon.[43] Ethiopian Foreign Minister's 5-page note of July 3d confirms Emperor's oral statement. Opening paragraph states:

"Referring to the interview you had with His Majesty the Emperor last December, to the *aide-mémoire* delivered on that occasion and to the reply of the Government of the United States which you delivered orally, I have the honor to summarize below the present situation reached by the evolution of the Italo-Ethiopian dispute".

Succeeding paragraphs state Ethiopia already worried last August by Italian armament in colonies and asked explanations in Rome; and refer to (1) mutual assurances exchanged September; (2) Italian efforts to magnify Gondar incident of November; (3) Ethiopian view of Walwal incident of December 4, 1934; [4?] treaty invoked and arbitration applied for and refused; (5) December 14th appeal to the League;

[41] André de Laboulaye.
[42] Department of State, *Press Releases*, July 6, 1935, p. 29.
[43] Not printed; it instructed the Chargé to telegraph full text of that part of the Emperor's statement in which he asked consideration of the dispute with Italy in connection with the Kellogg Pact (765.84/432).

(6) pretended Italian acceptance arbitration and League decision of January 17th; (7) Ethiopian declaration of March 16th regarding a desire direct negotiations; (8) second appeal to the League when Italian delegation Geneva accepted arbitration while Legation here simultaneously limited scope to Walwal responsibilities; (9) final appointment arbitrators; (10) continued Italian mobilization and propaganda; (11) early May it became clear Italy intended conquest; (12) May action of League; (13) now evident after 7 months fruitless negotiation Italy has not renounced realization ambitions by war; (14) gravity of menace apparent; (15) failure of Eden visit to Rome.

Note concludes:

"Imperial Ethiopian Government being signatory of Briand-Kellogg Pact of which the American Government was the principal initiator, His Majesty the Emperor Haile Selassie I commands me to ask your Government to examine means by which observance by Italy of her engagements as signatory of this Pact may be assured.["]

GEORGE

765.84/442 : Telegram

The Chargé in Ethiopia (George) to the Secretary of State

ADDIS ABABA, July 6, 1935—7 p.m.
[Received July 6—2:10 p.m.]

55. Department's telegram No. 31.[44] Note delivered July 6, 7 p. m.

GEORGE

765.84/440 : Telegram

The Chargé in Italy (Kirk) to the Secretary of State

ROME, July 7, 1935—noon.
[Received July 7—7:29 a.m.]

344. My 341, July 6, noon.[45] Translation of the text of the American note appears in the press this morning in news despatches from New York which also state that the note is generally regarded as a refusal to interfere in any way. It is further reported that in reply to the British note [45a] the American Government will say that it intends to remain aloof from the dispute and a State Department spokesman is quoted as declaring that under no circumstances would the United States be party to sanctions against Italy and that it would make no

[44] July 5, 5 p.m., p. 725.
[45] Not printed.
[45a] See telegram No. 111, July 9, 7 p.m., to the Chargé in Italy, p. 729.

representations to the Italian Government. A report is also published that the American Legion at Addis Ababa has been instructed to invite all Americans to leave the country.

No editorial comment with respect to the American attitude has yet appeared.

KIRK

765.84/489

Memorandum by the Secretary of State of a Conversation With the French Ambassador (Laboulaye)

[WASHINGTON,] July 8, 1935.

During the Ambassador's call I referred to the substance of the recent reply of this Government to the Emperor of Ethiopia about the Paris Pact, emphasizing the statement in our note that this country was naturally interested in peace in every part of the world. I then asked the Ambassador what he knew about the situation and about the state of mind of his Government towards the Italian-Ethiopian problem which seemed to be growing more acute.

The Ambassador said he had no information on the subject.

I then went on to say that I felt the matter was of such extreme importance that I was justified in making inquiries about the state of mind of a great Government like the French, not only because we were both signatories of the Paris Peace Pact, but on account of the extremely war-like utterances of Mr. Mussolini during the past few days coupled with additional shipments of soldiers and armaments from Italy to Ethiopia; that a war between Italy and Ethiopia would be bad enough, but it was entirely within the range of possibility that it would in due time spread back into more than one part of Europe with its unimaginable, devastating effects. I said that in the light of these possibilities and as an equal friend of the people of all the Governments concerned, I would be interested in the most confidential way to have the benefit of any information or ideas that governing officials at Paris might have in mind, either present or prospective, relative to any material phase of the problem which seemingly was gradually presenting itself in the Italian-Ethiopian situation.

The Ambassador indicated his appreciation of this viewpoint and the seriousness of it and added that he would be glad to see what his Government had on its mind, presently or prospectively, if anything, in the foregoing connection.

CORDELL HULL

765.84/465 : Telegram

The Chargé in Italy (Kirk) to the Secretary of State

ROME, July 9, 1935—5 p.m.
[Received July 9—3 p.m.]

347. My 344, July 7, noon. Insofar as the Embassy is aware no editorial comment has appeared in the Italian press to date on the American note with the exception of the *Piccolo* issued this noon which states that the American attitude was to be expected in view of the Government's policy of non-interference in European affairs and that the American Government "realizes the futility of any effort to arrest Mussolini's resolute and upright action". The newspaper also intimates that along with the French refusal to join in any action against Italy the American attitude has served to moderate British policy and in conclusion it states that the British still have time to reconsider their position.

Italians, both [apparent omission] and private individuals, in referring to the American note are uniform in their expressions of satisfaction with the attitude of the American Government as set forth therein and are outspoken in their approval of that attitude as compared to that of Great Britain.

Cipher message mailed Geneva.

KIRK

765.84/440 : Telegram

The Secretary of State to the Chargé in Italy (Kirk)

WASHINGTON, July 9, 1935—7 p.m.

111. Your No. 344, July 7, noon. No note has been received from the British Government in regard to the Italo-Ethiopian controversy.

No one speaking for the Department has made any statement of the nature of that to which you refer.

HULL

765.84/555 : Telegram

The Chargé in Ethiopia (George) to the Secretary of State

ADDIS ABABA, July 11, 1935—2 p.m.
[Received July 11—12:05 p.m.]

58. Department's telegram 31, July 5, 5 p.m. Emperor's reaction to American reply very satisfactory. He has stated that reply is "better than expected".

GEORGE

765.84/499a : Telegram

The Secretary of State to the Ambassador in the United Kingdom (Bingham)[46]

WASHINGTON, July 11, 1935—2 p.m.

175. On July 5, the day our reply to the Emperor of Ethiopia was sent, the Italian Ambassador called at the Department and obtained a copy of our note. Yesterday I asked the Ambassador to come to the Department and informed him of our impressions of the Italo-Ethiopian situation in the following sense:

Although we are not familiar with the facts or the merits of the questions at issue between Italy and Ethiopia, we are deeply interested in the preservation of peace in all parts of the world and we are particularly interested in those international arrangements designed to effect the solution of controversies by peaceable means.

Being convinced that world progress and economic recovery are urgently in need of peaceful conditions, particularly at this time, we felt impelled to impress upon the Italian Ambassador our increasing concern over the situation arising out of Italy's dispute with Ethiopia and our earnest hope that a means may be found to arrive at a peaceful and mutually satisfactory solution of the problem.

I would suggest that you arrange an appointment with Sir Samuel Hoare and inform him orally and confidentially of the above. You may also say that you feel sure that he will realize from the close attention we are giving to this matter our deep concern over the rapidly advancing developments in this situation. Please give me a report of your conversation with the Secretary of State for Foreign Affairs.

HULL

765.84/490 : Telegram

The Chargé in Italy (Kirk) to the Secretary of State

ROME, July 11, 1935—5 p.m.
[Received July 11—2:50 p.m.]

354. Department's 112, July 10, 6 p.m.[47] Associated Press representative here has just informed me that he has heard by telephone from London that according to a message received from Washington by the exchange telephone agency in London the American Government has notified the Italian Government that the United States would regard with "extreme misgivings" any step by Italy which would bring about war in Ethiopia. In reply to a request from the

[46] The same, *mutatis mutandis*, July 11, to the Ambassador in France as telegram No. 270; a similar telegram, omitting the last paragraph, was sent to the Ambassador in Italy as No. 112, July 10, 6 p.m.

[47] See footnote 46, above.

press correspondent for information as to the subject matter of the foregoing report, I told him that this Embassy had received no instructions to deliver any such message to the Italian Government but he gave me to understand that he would inquire again on the matter. In view of the foregoing I shall appreciate notification by the Department in the event that any publicity is given by the Department to the statement made to the Italian Ambassador referred to in the Department's above-mentioned telegram.

In the course of a conversation at the Ministry of Foreign Affairs today in which Abyssinia was discussed I was given no intimation that the Ministry had yet received from Rosso [48] the account of his conversation at the State Department yesterday.

KIRK

765.84/533a : Telegram

The Acting Secretary of State to the Ambassador in Germany (Dodd)

WASHINGTON, July 13, 1935—3 p.m.

49. On July 11, the Secretary called the British and French Ambassadors to the Department and informed them that his attention had been called to articles in certain sections of the press recently to the effect that in certain foreign opinion the Briand-Kellogg Pact is dead owing to the "brusque refusal of the American Government to invoke that Pact to prevent the Italo-Abyssinian conflict from developing into an open war." The Secretary stated that he felt that impression to be entirely contrary to the sense of our note to the Emperor which emphasized the principles of the Pact of Paris and gave evidence of our interest in the settlement of this dispute by peaceable means.

Yesterday evening the Secretary issued the following statement to newspaper correspondents

"The Pact of Paris is no less binding now than when it was entered into by the sixty-three nations that are parties to it. By form and designation it constitutes a treaty by and among those nations.

"It is a declaration by the Governments of the world that they condemn recourse to war for solution of international controversies and renounce it as an instrument of national policy in their relations with one another.

"Furthermore, it is an agreement and a solemn obligation that the settlement or solution of all disputes or conflicts among nations of whatever nature or of whatever origin shall never be stopped except by pacific means.

"The United States and the other nations are interested in the maintenance of the Pact and the sanctity of the international commitments assumed thereby for the promotion and maintenance of peace among the nations of the world."

[48] Augusto Rosso, Italian Ambassador at Washington.

The Ambassadors at London and Paris have been informed of these steps and requested to report currently on developments in their respective countries in connection with this situation. Please also give us any information you may consider of value in the premises.

Repeat to Geneva.

PHILLIPS

765.84/541 : Telegram

The Ambassador in the United Kingdom (Bingham) to the Secretary of State

LONDON, July 16, 1935—7 p.m.
[Received July 16—3:25 p.m.]

322. Your 181, July 12, 7 p.m.; 178, July 11, 8 p.m.,[40] and 175, July 11, 2 p. m. I saw Sir Samuel Hoare this morning by appointment and communicated to him the substance of your 175. He asked me to convey his gratitude for the statement you gave the press on the Abyssinian situation. He said further that while there seemed to be very slight hope of accomplishing anything with Mussolini, his Government intended to continue their efforts to prevent war; that as usual with dictators he did not believe that Mussolini ever got the facts or really knew himself what the attitude of the rest of the world is; and that he had no idea that anything he (the British Foreign Secretary) said to the Italian Ambassador in London, Signor Grandi, reached Mussolini in the form in which he had said it. For this reason the British Government sent Mr. Anthony Eden to Rome in the endeavor to give Mussolini the facts about the attitude of this Government. Sir Samuel Hoare said he hoped consideration might be given to the thought of conveying to Mussolini through the American Ambassador in Rome your statement of July 12, because otherwise he did not believe it probable that Mussolini would know what had happened.

BINGHAM

765.84/697a : Telegram

The Acting Secretary of State to the Ambassador in the United Kingdom (Bingham)

WASHINGTON, July 31, 1935—11 p.m.

198. The President is considering the advisability of making a statement in the following sense:

"At this moment when the Council of the League of Nations is assembled to consider ways and means for composing by pacific means

[40] Neither printed.

the differences that have arisen between Italy and Ethiopia, I wish to voice the hope of the people and the Government of the United States that an amicable solution will be found and that peace will be maintained."

Please inform the Foreign Office of the sense of this statement in the strictest confidence and say that unless there is some element in the situation of which we are not aware and which makes it desirable to delay, the statement will probably be made Thursday.[50] Will however await your reply.

PHILLIPS

765.84/697 : Telegram

The Chargé in the United Kingdom (Atherton) to the Secretary of State

LONDON, August 1, 1935—11 a.m.
[Received August 1—6 : 11 a.m.]

349. Foreign Office expresses appreciation for advance information contained in your 198, July 31, 11 p.m., and knows of no reason for delaying statement.[51]

ATHERTON

765 84/743 : Telegram

The Chargé in Ethiopia (Engert) to the Secretary of State

ADDIS ABABA, August 5, 1935—6 p.m.
[Received August 5—2 : 20 p.m.]

69. At an audience I had this afternoon with the Emperor he expressed gratitude for the statement made by the President on August 1st which he considers typical of the love of peace of the American people. His Majesty also referred in kindly terms to the helpful work of the American missionaries in Ethiopia.

ENGERT

765.84/759 : Telegram

The Secretary of State to the Chargé in Ethiopia (Engert)

WASHINGTON, August 8, 1935—5 p.m.

43. The President has received the following message dated August 5 by telegraph from the Emperor: "We desire to express our thanks for your statement to the press on August 1st. Ethiopia has not ceased since beginning to seek peaceful settlement and especially

[50] August 1.
[51] Statement was issued to the press by the President on August 1 at 11 : 30 a.m.; see Department of State, *Press Releases*, August 10, 1935, p. 119.

appreciates the support of the Government and people of the United States in the cause of peace."

The President desires you to acknowledge orally the receipt of the Emperor's message and to convey to him an appropriate expression of the President's appreciation.

HULL

765.84/952

Memorandum by the Under Secretary of State (Phillips)

[WASHINGTON,] August 12, 1935.

During his call this afternoon the British Ambassador referred to a report which he had just received from the Foreign Office of the conversation which Sir Samuel Hoare had had with Ambassador Bingham before the latter sailed for this country.

It was apparent that Sir Samuel had been very much touched by Mr. Bingham's reference to the President's personal interest in the Ethiopian crisis. At any event, the report of the conversation included two references to Sir Samuel's satisfaction in knowing of the President's interest.

The Ambassador went on to say that, during the next week or two, possibly even at the end of this week, a real crisis might be reached in the negotiations now going on; in the event of such a development the Ambassador wondered whether the American Government would raise its voice again in the cause of peace; he said that the attitude of this country towards peace was a great moral force and he hoped that, at the appropriate moment, a message from this country might go forward in behalf of a peaceful solution of the problem.

I said that, while we were receiving a good deal of information from our representatives in Europe, from Geneva in particular, we were not getting much information from London or Paris or Rome which would give us any inside enlightenment as to what progress, if any, was being made towards a settlement; it was possible, therefore, that we might not know in advance when the crisis in the negotiations had been reached.

The Ambassador seemed to think that the Foreign Office ought to keep our Embassy closely in touch; the trouble with the matter was, in his opinion, that, when a crisis arose, the official in charge was so overwhelmed with the situation presented, he might be unable to inform the American Embassy until too late. However, it seemed to be evident that the Ambassador would do what he could to encourage the Foreign Office to keep closely in touch with our Embassy on this subject.

WILLIAM PHILLIPS

765.84/868a : Telegram

The Secretary of State to the Chargé in the United Kingdom (Atherton)

WASHINGTON, August 15, 1935—6 p.m.

213. We continue to follow with care and concern developments in relations between Italy and Ethiopia and the efforts which are being made to bring about a peaceful settlement. At present our thoughts are directed particularly to the Paris meeting of representatives of the British, French and Italian Governments. We sincerely hope that meeting will accomplish the desired results.

We desire to be kept closely informed of developments at the Paris meeting and we wish to have the benefit of all information which would enable the American Government to determine whether any further action by it within the limits of its established policy and its obligations as a signatory to the Pact of Paris would be likely to have a beneficial rather than a disadvantageous effect. We desire that any further action that may be taken by the American Government contribute toward the effort being put forth by the British and other governments similarly interested in preservation of peace.

To the above end you are instructed to establish the closest possible informal contacts with responsible authorities of the British Government and to report promptly and fully to the Department.

Repeat to American Embassy at Paris for its information as Department's No. 328, August 15, 6 p. m.

HULL

765.84/851 : Telegram

The Chargé in France (Marriner) to the Secretary of State

PARIS, August 17, 1935—9 a.m.

[Received August 17—8:05 a.m.[52]]

697. Your 326 [*328*], August 15, 6 p.m.[53] I brought your point of view to the attention of Léger [54] late yesterday afternoon who said that the meetings thus far had made no progress whatsoever since the whole procedure had been an exposé of the points of view of the three Governments, the Italians maintaining an extreme thesis (see Embassy's telegram 694, August 16, 1 p.m.[55]). He said that it appeared that Mussolini did not properly realize the gravity of the situation nor the importance which the powers of the world attached to his action in Africa. One of the great difficulties seemed to be that none of the Italian Ambassadors dared remark that truth to Rome and

[52] Telegram in three sections.
[53] See last paragraph of telegram *supra*.
[54] Alexis Léger, Secretary General of the French Ministry for Foreign Affairs.
[55] *Ante*, p. 627.

contented themselves with reporting only those things which they presumed Mussolini desired to hear. He said that the present status of the negotiations was that they were held up while Aloisi should endeavor in so far as he dared to describe the situation to Mussolini in its real terms stating the concern of France and England and their determination not to permit aggression by one state member of the League of Nations on the territory of another.

Therefore it was regarded that the United States Government might serve a useful purpose if the President or Secretary of State would be willing to call in the Italian Ambassador and inform him that the United States shared the world's preoccupation for peace and the maintenance of obligations by all signatories of the Pact of Paris; that any failure to attain a peaceful result would be viewed by the United States as a world calamity. In order to make sure that such a message would not be too attenuated in its transmission to Mussolini it might be well to cable a memorandum of the interview to the Chargé d'Affaires in Rome for his transmission to the Italian authorities in whatever way thought best.

Léger felt that the matter was extremely urgent as he understood that Mussolini was in a very nervous condition counting on his possible friends in case he should embark on the Ethiopian exploit. He hoped that the Duce was becoming persuaded of the firmness of the British Government and public opinion and knew that de Chambrun, the French Ambassador in Rome, had told him that if it ever came to a choice between Italy and the League of Nations there was no question but that all French weight and influence would be given to the League of Nations. Therefore in casting about for possible support, either moral or material, Mussolini was always relying on the hope that the United States would remain at least indifferent or disinterested.

I discussed the matter likewise with Campbell, formerly Counsellor of the British Embassy here and now attached to the British delegation, whose impressions were practically to same purpose. He was strongly of the opinion that the United States might at this moment most usefully indicate to Italy the moral isolation in which she would find herself if she carries out her project for war in Abyssinia.

MARRINER

765.84/850 : Telegram

The Chargé in France (Marriner) to the Secretary of State

PARIS, August 17, 1935—noon.
[Received August 17—9 a.m.]

699. Since despatch of my 697, August 17, 9 a.m. I have been in touch with Eden and Vansittart [56] who reiterated the point of view

[56] Sir Robert Vansittart, British Under Secretary of State for Foreign Affairs.

set forth by Campbell and hope that the American Government may see its way clear to reenforce in Rome the idea of the world interest in the maintenance of peace.

All conversations here are suspended for the time being awaiting reply from Mussolini to questions put to him yesterday and thus there is no present indication when any further action may be expected.

MARRINER

765.84/868b : Telegram

The Secretary of State to the Chargé in Italy (Kirk)

WASHINGTON, August 17, 1935—2 p.m.

135. Please inform me immediately whether you would be able to deliver a confidential message to Mussolini himself from this Government. Is the Chief of Government in Rome, or, if not, how soon could such a message be delivered to him by you?

HULL

765 84/859 : Telegram

The Chargé in Italy (Kirk) to the Secretary of State

ROME, August 17, 1935—8 p.m.
[Received August 17—6 : 06 p.m.]

493. Marriner has repeated to me his telegram to the Department, number 697, August 17, 9 a.m., and 699, August 17, noon.

Although it is impossible to surmise the effect which a message along the lines suggested in the second paragraph of the above-mentioned telegram would have on the psychology of Mussolini at this moment, judging from the past there will be an inclination to regard any such gesture as unwelcome interference. Furthermore, when the message would be published in Italy it would be presented to the public only in such a way as would, according to the views of the Government, best serve its interests in furthering its present policy.

The situation, however, is critical and any means calculated to strengthen the possibility of a peaceful solution is justified. If, therefore, it is decided that a message along the lines indicated be delivered, I venture to suggest that the susceptibilities of the Italians would less likely be adversely affected and the possibility of the Italian Government turning the message to their own purposes would be reduced if the message could be withheld from publication. Whether this could be done or agreed to by Rosso, the Department only is in a position to judge. I further venture to suggest that the reference to "moral isolation", as mentioned by Campbell, might well have an effect on the Italian mind which would detract from the effectiveness of the message.

KIRK

765.84/858 : Telegram

The Chargé in Italy (Kirk) to the Secretary of State

ROME, August 17, 1935—9 p.m.
[Received August 17—5:06 p.m.]

494. Department's 135, August 17, 2 p. m. Request for audience presented and I expect a reply tomorrow morning.

KIRK

765.84/862 : Telegram

The Chargé in Italy (Kirk) to the Secretary of State

ROME, August 18, 1935—9 a.m.
[Received August 18—7:30 a.m.]

495. My 494, August 17, 9 p.m. Response not yet received and no reply as yet regarding audience.

In amplification of my 493, August 17, 8 p. m. I desire to call to the Department's attention the special factor now present in the Italian mind in that it has persuaded itself that Italy's position in the present conflict is morally justified (see my 492, August 17, 5 p.m.,[57] paragraph 2). Italy has its concepts as to its rights to expand and as to the justification for the measures necessary thereto but the Italian mind is at present unwilling to grasp the argument that whereas the Italian Government is basing its policy [on?] force other nations are regarding the problem from the point of view of the present rules of international relationships and of international justice. Italy is professing to be engaged in an undertaking which she has justified to herself not only on the moral grounds of the higher interests of the state and even on the doctrine of a struggle for existence but also on the assumption that in carrying out this undertaking she is ultimately advancing plea for civilization. It is from this point of view that Italy envisages the opposition of England which she characterizes as selfish and anti-historical and it is on this ground that she will probably regard any arguments from without destined to persuade her to modify her course. It should be added, however, that Mussolini as a student of political philosophy is believed to be more likely than other Italians to evaluate the principles of force and justice in international relations but whether at this stage he will choose to recognize those values is a matter of pure conjecture.

The foregoing is offered merely as of possible interest in connection with the message referred to in the Department's 135, August 17, 2 p.m., and the impression it may be expected to create.

KIRK

[57] Not printed.

765.84/870a : Telegram

The Secretary of State to the Chargé in Italy (Kirk)

WASHINGTON, August 18, 1935—1 p.m.

136. You are instructed to seek an interview at the earliest possible moment with Mussolini and to hand him a copy of the following message which I am sending him at the direction of the President:

"I am asked by the President to communicate to you, in all friendliness and in confidence, a personal message expressing his earnest hope that the controversy between Italy and Ethiopia will be resolved without resort to armed conflict. In this country it is felt both by the Government and by the people that failure to arrive at a peaceful settlement of the present dispute and a subsequent outbreak of hostilities would be a world calamity the consequences of which would adversely affect the interests of all nations."

When handing him this message, you should explain to him that we are not giving it out to the press.

For your own confidential information, I may inform you that we have for some time contemplated sending such a message and that I am now informed by Marriner that the British and French Governments are of the opinion that we may in so doing reinforce their efforts to bring about a peaceful solution of the conflict. A copy of this message has been sent to Marriner and he has been authorized to show it in strict confidence to the British and French.[58]

Report fully.

HULL

765.84/873 : Telegram

The Chargé in Italy (Kirk) to the Secretary of State

ROME, August 19, 1935—1 p.m.
[Received 4 : 18 p.m.[59]]

500. My 499, August 19, 11 a. m.[60] Mussolini received me shortly before 11 : 30 this morning and I left his office at noon. I presented him with a copy of the message contained in your 136, August 18, 1 p. m., and explained to him that it was a personal and confidential message sent to him by the Secretary of State at the direction of the President which the Department would not give out to the press.

Mussolini read the message carefully. He then asked me to convey to the President and the Secretary his appreciation of the expression of friendliness and of the character of the message. As to the subject matter, however, it was now too late to avoid an armed conflict. Italy, he continued, had mobilized a million men and had spent two billion

[58] Telegram No. 332, August 18, 1 p.m.; not printed. Marriner was also instructed to repeat to London the President's message as Department's No. 217.
[59] Telegram in three sections.
[60] Not printed.

lire. Two hundred thousand men had already been sent to East Africa and 150,000 more were ready to go at any time. Two Black Shirt divisions were being sent out this week and others were to follow. In the face of this preparation and the sacrifices which it implied, any alteration in purpose now would be absolutely disastrous to Italy and would entail consequences from which she would not recover for a century. No nation, and he specifically referred to the United States, could expect that Italy could draw back now and destroy her prestige in incurring the disdain of other countries who would be ready to accuse her of having attempted to bluff or of having engaged in an undertaking which she found she was unable to carry out. Six months ago perhaps some solution might have been found but the opposition of other countries and England in particular, although it had brought the Italian people unanimously to the support of the Government, had strengthened the position of the Negus so that now only a military defeat at the hands of Italy could accomplish the ends which Italy had a right to obtain.

Mussolini went on to say that for years Italy had made every effort to cooperate with the Abyssinians to the mutual advantage of both countries. Practically everything that had been done to improve the condition of the Abyssinians and advance their progress along modern lines had been due to the Italians. The treaty of 1928 [61] was intended to declare this policy of amity and to render this collaboration effective. This treaty, however, had remained entirely ineffective owing to the attitude of the Abyssinians and all efforts to give effect to the purposes of the treaty were of no avail. Even in connection with the construction of the road to Assab as an outlet to the sea for Abyssinia,[62] Italy had met with the opposition of the Abyssinian Government and no progress could be made. It is true, he added, that during that time the influence of the French which during those years was unfriendly towards Italy, was a factor in negativing Italy's efforts at cooperation in Abyssinia but the main difficulty lay in Abyssinia's attitude toward Italy herself. Italy in 1896 had lost the battle of Adowa. That was 40 years ago and the circumstances were such that Italy herself need not harbor a necessity for revenge. The Abyssinians, however, regarded Adowa as the triumph of their force over a powerful white nation and this spirit, which had been encouraged by the friendly attitude and support of other European nations, had created a situation in Abyssinia which absolutely precluded the possibility on the part of Italy of safeguarding or developing her legitimate interests. This situation could only be met by a display of force and could only be remedied by inflicting a defeat on the Abyssinians.

[61] Italo-Abyssinian treaty of August 2, 1928, League of Nations Treaty Series, vol. xciv, p. 419.

[62] Road Convention between Abyssinia and Italy, *ibid.*, p. 441.

The Abyssinians, Mussolini continued, were known to have 450,000 men under arms. Their military plan was to retreat before the Italian advance and then when the Italian lines were extended to launch attacks against those lines in the form of guerilla warfare. The Abyssinians were not taking sufficiently into account the Italian air force which would eliminate the chance of success of these tactics. Mussolini expressed complete confidence in the outcome of this military set-up and he intimated that he believed it would be brief. He indicated that following this phase negotiations for a final adjustment would be simple and in this connection he pointed out the success of Italian administration in Eritrea where great progress along modern lines had been made and where no opposition on the part of the natives had ever been encountered. In giving the foregoing account Mussolini took pains to emphasize general attitude so far as envisaging the matter solely from the point of view that the conflict would be confined exclusively to Italy and Abyssinia and had been alluding to the part played by other governments only insofar as they affected the relations between these two countries. If the conflict could be so limited he said no anxiety need be felt as to the consequences. He went on to say, however, that the attitude of England had brought to the fore the possibility that it might not be so confined and in that event he foresaw the gravest consequences to the peace of the world. The conversations at Paris which ended yesterday showed an attitude which gave little indication that there was an unwillingness to admit the Italian viewpoint. The proposals which had been put forward involving concessions in Abyssinia though vague were clear enough to show that they were entirely unacceptable to Italy. England, he said, might profess not to know what Italy really wanted in Abyssinia but she knew very well and that was first and foremost the military occupation of the country. The suggestions as to economic concessions were without value and any arrangement involving a quadrupartite administration (four parties) in the country to which a government such as that of the Negus would be a party was impossible from the Italian viewpoint. As regards the future stage in the negotiations he said Italy had prepared an exhaustive statement of her case which would be laid before the League of Nations. When that was presented the League would have to choose between Italy and Abyssinia. If Abyssinia were ejected from the League Italy would proceed with her plans in Abyssinia which he declared could then be regarded as having the character of high police measures enforced by arms. Abyssinia would by a brief demonstration of force be convinced of the power of Italy, the impression of the victory at Adowa would be wiped out and the undertaking would develop into a colonial enterprise. In this connection he specifically mentioned the case of French action in Morocco and outlined the need of that action which

he pointed out were successfully carried out without grave international complications. If, however, he went on to say, the League should fail to uphold Italy's position there would be only one course open to Italy, namely, to disregard the views of the member nations and proceed with the undertaking on which Italy had already embarked and carried to so high a stage of development. The dangers implicit in such a course if it became necessary he recognized as of the utmost gravity. Italy would be confronted with the opposition of other countries and if that opposition developed into actual interference such as any attempt to block the Suez Canal, Italy would regard such an attempt as an hostile act and would take measures accordingly. The conflict with Abyssinia he repeatedly characterized as a matter of vital interest to Italy. This conflict must be settled once for all at this time for the effort which had been expended and the sacrifices which were being made could never be repeated. If Italy, he reiterated, would be allowed to settle that conflict without interference there need be no danger to world peace. If however any nation or nations should interfere Italy would be compelled to pursue her course regardless of opposition and the consequences then might prove disastrous.

Mussolini concluded this conversation by again expressing his appreciation of the character of the message from the President.

I might add that Mussolini appeared in excellent health and spirits and showed no trace of the nervousness noted by the French (see Paris Embassy's telegram No. 697, August 17, 9 a.m.) which has since been explained by certain climatic conditions prevailing at that time to which he is known to be susceptible. He gave an impression of calmness and confidence and was obviously desirous of availing himself of an opportunity to state his case in the way in which he wanted it to be understood. His conversation which was in French was free, emphatic and informal in tone.

Foregoing message repeated nowhere.

KIRK

765.84/872 : Telegram

The Chargé in France (Marriner) to the Secretary of State

PARIS, August 19, 1935—4 p.m.
[Received August 19—1 p.m.[63]]

708. Department's 332, August 18, 1 p.m.[64] I saw Léger and Eden this morning and communicated orally and in the strictest confidence the nature of the message which Kirk has been instructed to deliver to Mussolini. I informed them that it was not being given to the

[63] Telegram in two sections.
[64] See footnote 58, p. 739.

press and they both agreed that in the present position of affairs this was the wisest means of bringing to Mussolini's attention the solidarity of the world in the interest of peace.

Both Léger and Eden expressed themselves as being extremely grateful for the prompt and effective action of the American Government in this matter and felt that even though the negotiations in Paris had broken down it was not too late for its effects to be felt in Italy.

It was Léger's opinion that with the return of Aloisi to Rome, Mussolini would gain a more accurate impression of the solidarity against him which existed here and what he would have to face in Geneva, where, in accordance with the information which the French have received from Rome, Mussolini still intends to send his representatives on September 4.

Neither Léger nor Eden felt that the failure of conversations here was necessarily the final chapter and that there was still time for Rome to alter its program.

Apparently Mussolini refused even to consider the Anglo-French offer as a basis of discussion. Eden's analysis of the Italian reply was that Mussolini would only be willing to accept through the medium of the League what he would take by force of arms if it were not granted.

Eden said that in his conversation with Laval this morning they both considered that in searching their consciences no efforts had been spared and no means neglected to find a peaceful settlement of the question. In this connection Léger told me that the only benefit that he felt had been derived from the negotiation was a much closer *rapprochement* and understanding between Great Britain and France. Eden leaves late this afternoon for London and Vansittart for Aix-les-Bains where he will see Baldwin.[65] It is possible that a Cabinet meeting will be called in London for August 22.

MARRINER

765.84/876 : Telegram

The Chargé in Italy (Kirk) to the Secretary of State

ROME, August 20, 1935—10 a.m.
[Received August 20—9:25 a.m.]

501. Department's 136, August 18, 1 p.m., and my 500, August 19, 1 p.m. I took occasion last night to hand to Suvich a copy of the message which I had given to Mussolini in the morning and emphasized the fact that it would not be given to the press by the Department. Suvich asked me what Mussolini had said and I answered that he had declared "It is now too late" but I did not go into further details. Suvich, after referring briefly to Italy's complaints against

[65] Stanley Baldwin, British Prime Minister.

Abyssinia, said that the entire case would be presented to the League and repeated assertions consistently expressed by Foreign Office officials to that [*the?*] effect that Italy did not wish to leave the League.

Marriner has repeated to me his 704, August 19, 11 a.m. and 710, August 17 [*19*], 6 p.m. to the Department.[66] Up to the present there has been no inquiry from press circles here as to any step on the part of the American Government in connection with the Italian-Ethiopian conflict.

Not repeated elsewhere.

KIRK

765.84/1094 : Telegram

The Chargé in Ethiopia (Engert) to the Secretary of State

ADDIS ABABA, September 10, 1935—3 p.m.
[Received September 10—11 : 50 a.m.]

92. Informal oral inquiry has just reached me from the Palace whether, in order to prevent a catastrophe, the United States Government would be willing to mediate between Italy and Ethiopia, provided of course, Italy accepts such mediation. It is felt here that the United States, being the only absolutely impartial great power, its moral influence would be enormous and that having just given proof of its disinterestedness by canceling oil concession,[67] which must have been pleasing to Italy, the present moment may be the last opportunity to avoid long and sanguinary conflict with incalculable repercussions throughout the world.

Bearing in mind Department's 22, December 18, 5 p.m.[68] and 23, December 21, 7 p.m.,[69] I merely promised to transmit the inquiry.

ENGERT

765.84/1277

Memorandum by the Chief of the Division of Far Eastern Affairs (Hornbeck) to the Secretary of State

[WASHINGTON,] September 11, 1935.

MR. SECRETARY: In order of precedence, it seems to me much more necessary that we decide at the earliest possible moment whether we are going to make a public statement of our position with regard to the impending hostilities (with mention of the Pact of Paris, etc.) than that we decide just what we will telegraph in reply to the inquiry of the Ethiopian Government about our becoming a mediator.

[66] Neither printed.
[67] For correspondence concerning the Rickett concession, see pp. 778 ff.
[68] *Foreign Relations*, 1934, vol. II, p. 769.
[69] *Ibid.*, p. 774.

A reply to the Ethiopian Government's inquiry might be let go entirely by default without any great harm being done. Such default would indicate that our response is in the negative. But, things moving forward as they are at Geneva, if we wish to make a statement the time has come for making it and the period within which the making of it might be appropriate is likely to be of short duration. By delay, we may find that we have missed the opportunity for doing one of the few things which it is possible with any appropriateness or reasonableness for us to do.

I therefore would urge:

1. That decision be arrived at whether we will make a public statement;
2. If the answer be in the affirmative, decision be arrived at as to the general substance of the text;
3. That, if it be decided that the President's message to Mussolini [70] is to be included in the exhibit made public, a telegram be prepared, to be sent for the purpose of informing Mussolini in advance of the appearance in the press of our statement, that the text of the message to him is being made public by us;
4. That, in the light of decisions on the above points, the proposed telegram to Addis Ababa on "mediation" be completed.

In connection with consideration given to the question of a public statement, I cling to the opinion that we should not on our own initiative address communications to other governments urging upon them a general "invocation" of the Pact of Paris. The French Government has a responsibility approximately equal to ours with regard to that Pact. All of the governments represented at the League are parties to the Pact. If those governments feel that the Pact should be invoked, they can discuss the matter among themselves at Geneva at any time and in the light of other developments of which they are aware from moment to moment and in which they are participating, and with promptitude. To me it seems more practicable and more logical that a proposal, if made, for the invocation of the Pact originate there than that it originate from one capital far removed (Washington). Moreover, it has always seemed to me desirable that the idea be built up that the peace machinery as such is to be given general direction and impulse from there. (The Pact of Paris is one part of the peace machinery.)

I would perceive no objection to our giving a hint to the British Government, if we choose, in the form of an inquiry whether they do not think that the Pact should be invoked and whether they might not be willing to canvass the question at Geneva,—but with the corollary suggestion that a proposal for its invocation, if to be made, be made there and need not be expected to be made by us.

[70] See telegram No. 136, August 18, 1935, 1 p.m., to the Chargé in Italy, p. 739.

The making of our proposed public statement would put us in the "clear" for purposes of the record up to date. It would enable us to make a clear-cut appeal to the contending powers to carry out their pledge under the Pact of Paris by refraining from hostilities. It would in and of itself serve to suggest to the other powers at Geneva that they do something about or make something out of the Pact of Paris. It would in no way stand in the way of our responding favorably if and when the League powers ask us for cooperation in some formal action in invocation of the Pact. Nor would it stand in the way of any other action that we might choose later to take. (Incidentally, I feel that it would be highly inadvisable to address a communication to the King of Italy and the Emperor of Ethiopia.)

I therefore see nothing to be lost and much possibly to be gained by our making a public statement at an early date. But if we have an intention of making it, we should come to a decision very soon and act thereon before the situation so changes as to make such a statement appear belated and be absolutely nothing but a collection of words.

S[TANLEY] K. H[ORNBECK]

765.84/1279

Memorandum by the Chief of the Division of Far Eastern Affairs (Hornbeck) to the Secretary of State

[WASHINGTON,] September 12, 1935.

MR. SECRETARY: In view of the strong position which Sir Samuel Hoare took on behalf of the British Government in his address at Geneva yesterday,[71] would not the present be a particularly opportune moment for the American Government to give utterance to a statement (such as we have been considering) indicative of our strong moral support of the effort on behalf of peace which is being made by the British Government and those other of the League powers who stand for that principle? Would it not be highly desirable that this Government's decision, one way or the other, be arrived at, and if the decision be in the affirmative, action be taken, today?

S[TANLEY] K. H[ORNBECK]

765.84/1371

Statement to the Press by the Secretary of State

[WASHINGTON,] September 12, 1935.

In view of the deep concern of this Government and the widespread anxiety of the American people over recent developments which

[71] League of Nations, *Official Journal*, Special Supplement No. 138, p. 43.

appear to constitute a grave threat to the peace of the world I consider it desirable to recapitulate the steps thus far taken by this Government in contributing in every practicable way toward a peaceful settlement of the present dispute between Italy and Ethiopia.

On the evening of July 3 the Emperor of Ethiopia summoned the American Chargé d'Affaires ad interim at Addis Ababa to the Palace and handed the Chargé a communication in which the Emperor stated that he felt it to be his duty to ask the American Government to examine means of securing observance of the Pact of Paris.

The Chargé was instructed to reply to the Emperor as follows:

"I have the honor to acknowledge the receipt of Your Imperial Majesty's note of July 3, 1935, and to inform Your Imperial Majesty that I immediately communicated its contents to my Government. I have been instructed by my Government to reply to your note as follows:

" 'My Government, interested as it is in the maintenance of peace in all parts of the world, is gratified that the League of Nations, with a view to a peaceful settlement, has given its attention to the controversy which has unhappily arisen between your Government and the Italian Government and that the controversy is now in process of arbitration. My Government hopes that, whatever the facts or merits of the controversy may be, the arbitral agency dealing with this controversy may be able to arrive at a decision satisfactory to both of the Governments immediately concerned.

" 'Furthermore, and of great importance, in view of the provisions of the Pact of Paris, to which both Italy and Abyssinia are parties, in common with 61 other countries, my Government would be loath to believe that either of them would resort to other than pacific means as a method of dealing with this controversy or would permit any situation to arise which would be inconsistent with the commitments of the Pact.' "

On July 10 during a call of the Italian Ambassador made at the request of the Secretary of State, the Secretary made to the Ambassador a statement as follows:

"Although we are not familiar with the facts or the merits of the questions at issue between Italy and Ethiopia, we are deeply interested in the preservation of peace in all parts of the world and we are particularly interested in those international arrangements designed to effect the solution of controversies by peaceable means.

"Being convinced that world progress and economic recovery are urgently in need of peaceful conditions, particularly at this time, we feel impelled to impress upon the Italian Ambassador our increasing concern over the situation arising out of Italy's dispute with Ethiopia and our earnest hope that a means may be found to arrive at a peaceful and mutually satisfactory solution of the problem."

On July 11, the Secretary of State conferred with the British and French Ambassadors. He called attention to articles which had appeared in the press wherein there was placed upon the American Government's reply to the Emperor of Ethiopia an interpretation implying that the American Government had abandoned the Kellogg-Briand Pact and the Pact therefore was "dead".

The Secretary said he felt this interpretation was entirely contrary to the sense of his note to the Emperor, which had emphasized the principles of the Pact of Paris and had given evidence of this Government's interest in the settlement of this dispute by peaceable means.

On the same day, at his press conference, the Secretary of State pointed out that naturally the American Government, as had frequently been stated previously, is deeply concerned about the preservation of peace in every part of the world and is closely observing conditions and developments.

On July 12, in response to various inquiries of newspaper correspondents, the Secretary of State made a statement as follows:

"The Pact of Paris is no less binding now than when it was entered into by the sixty-three nations that are parties to it. By form and designation it constitutes a treaty by and among those nations. It is a declaration by the governments of the world that they condemn recourse to war for the solution of international controversies, and renounce it as an instrument of national policy in their relations with one another. Furthermore, it is an agreement and a solemn obligation that the settlement or solution of all disputes or conflicts among nations, of whatever nature or of whatever origin, shall never be sought except by pacific means.

"The United States and the other nations are interested in the maintenance of the pact and the sanctity of the international commitments assumed thereby for the promotion and maintenance of peace among the nations of the world."

On August 1, the President issued a statement as follows:

"At this moment, when the Council of the League of Nations is assembled to consider ways for composing by pacific means the differences that have arisen between Italy and Ethiopia, I wish to voice the hope of the people and the Government of the United States that an amicable solution will be found and that peace will be maintained."

Thereafter during the month of August expression of this hope of the people and Government of the United States was communicated in telegrams from the American Government to several other governments.

On September 3, having discovered that an American corporation was a party to a newly granted commercial concession the conclusion of which had added to the perplexities and difficulties confronting the governments and other agencies which are intent upon preservation of peace, the American Government took prompt steps toward removal of this obstacle to peaceful settlement. In connection with that matter, the Secretary of State said at his press conference:

"The central point in the policy of this Government in regard to the Italian and Ethiopian controversy is the preservation of peace—to which policy every country throughout the world is committed by

one or more treaties—and we earnestly hope that no nations will, in any circumstances, be diverted from this supreme objective."

Now, this Government feels called upon further to express the attitude of this country.

The Government and people of the United States desire peace. We believe that international controversies can and should be settled by peaceful means. We have signed, along with sixty-two other nations, including Italy and Ethiopia, a treaty in which the signatories have condemned war as an instrument of national policy and have undertaken, each to all, to settle their disputes by none but pacific means.

Under the conditions which prevail in the world today, a threat of hostilities anywhere cannot but be a threat to the interests—political, economic, legal and social— of all nations. Armed conflict in any part of the world cannot but have undesirable and adverse effects in every part of the world. All nations have the right to ask that any and all issues, between whatsoever nations, be resolved by pacific means. Every nation has the right to ask that no nations subject it and other nations to the hazards and uncertainties that must inevitably accrue to all from resort to arms by any two.

With good will toward all nations, the American Government asks of those countries which appear to be contemplating armed hostilities that they weigh most solicitously the declaration and pledge given in the Pact of Paris, which pledge was entered into by all the signatories for the purpose of safeguarding peace and sparing the world the incalculable losses and human suffering that inevitably attend and follow in the wake of wars.

765.84/1134 : Telegram

The Ambassador in Italy (Long) to the Secretary of State [72]

ROME, September 12, 1935—5 p.m.
[Received 5 : 15 p.m.]

572. The Ethiopian campaign is developing to be only a detail in the general uncertainty which involves all Europe as well as Africa. If it is allowed to progress to the point of actual hostilities, it may involve half the world in a catastrophe and change the foundations of political society.

In the midst of these circumstances and out of a real desire to be of some service in the direction of a peaceful solution, I submit my thoughts to the responsible officers of my Government in the hope that they will give them due consideration.

[72] In reply to this telegram the Secretary of State telegraphed in No. 143, September 14, 2 p.m.: "Your plan as set forth in your 572 is exceedingly interesting and we appreciate the consideration and study you have given to the subject. Of course we ourselves could not take any steps along those lines." (765.84/1152)

Fully conscious of the fixed policy of the American Government to abstain from any interference in European affairs yet realizing its power and prestige and its profound desire to contribute to the maintenance of peace, I proceed to make a suggestion for the solution of the tangled skein of European difficulties with the idea that you may consider its usefulness.

It is predicated, first, on the definite belief that Italy will now need additions to her territory in Africa as a condition precedent and as a happy corollary to any agreement to withhold military operations; second, that Germany will have to be brought into any arrangement for further division of African territory but that any such cession to her might serve as the *quid pro quo* for a peaceful settlement of the Austrian question; and third, that an agreement between France, Germany is fundamental to continued peace on the Continent.

1. Italy by agreement of England and France to receive territorial adjustments to include all the lowlands of Abyssinia and some of the uplands as far as Addis Ababa and west Mia for some miles and south to the British border. The Italian maps of original Abyssinia and its recently conquered dependencies as submitted to the League by Italy as part of her memorial would indicate the extent of territory to be acquired by Italy.

2. Ethiopia to have a new capital in the confines of old Abyssinia and to be guaranteed as to its territorial integrity and sovereignty by Italy, France, and England.

3. Germany (*a*) to be brought into the discussions and a tentative agreement arrived at to cede back to Germany certain of its former African Colonies on condition that Germany recognize and join as guarantor with the other three powers the independence of Austria; (*b*) that Germany's assumption of arms on land, sea, and in air be confirmed by the other three powers; (*c*) that Germany, Italy, France, and England agree to attend in 60 days a conference for the reduction of land and air forces in Europe with the object of reducing military establishments and when they have reached tentative agreements to call in other European powers to confer on general proportionate reductions—all to become operative after general agreement.

4. The four powers to subscribe mutually operative nonaggression pacts and (*b*) invoke Locarno for the air and land, and subsequently open both agreements for the adherence of all European Governments.

5. The four powers to open simultaneously with the Arms Reduction Conference, another conference for lowering tariff barriers and obstacles to trade and for monetary stabilization, and open that agreement for signature by all European Governments.

I really doubt that anything in the nature of a compromise will stop Mussolini. But in the face of firm opposition now developed he might be persuaded that out of such an arrangement he would obtain much of the territory heretofore subjugated by Ethiopia and practically attain his objectives without war. I also really doubt that France will make any friendly agreement with Germany or admit

her right to armament. But in the embarrassment in which she now finds herself there is a chance she might. Ethiopia itself would remain as an independent state to the extent of its original confines and the obligations of Governments members of the League would be reasonably discharged as a matter of international law. Germany then would benefit by territory for expansion presumably at the expense of England but would commit herself in the matter of Austrian independence which is so necessary for European tranquility. England would be making a heavy contribution for the general good but would have no European challenge on the seas and would be confirmed in the control of the Suez Canal and her route to the East. Continental land and air armaments would be reduced, a definite period of peace would appear in prospect, taxes could be reduced, trade would be thrown open, a degree of prosperity would return to take the attention of Governments from war and the exclusive occupation of factories from the production of war materials, and Germany and France would have removed from their relations the irritation of mutual suspicion and armed preparations for conflict.

This proposal is outside the scope of the League of Nations. I am sure I need not add that I have discussed it with no one. It is not proposed to me by anyone. It develops out of my understanding of European affairs and is submitted in the conscientious hope that it may be of some service in preventing the development of an impending calamity.

LONG

765.84/1094 : Telegram

The Secretary of State to the Chargé in Ethiopia (Engert)

WASHINGTON, September 12, 1935—6 p.m.

56. Your 92, September 10, 3 p.m. I wish you to reply orally and informally in the following sense to the inquiry you have received respecting the possibility of mediation by this Government in the dispute between Italy and Ethiopia.

This Government has, by the steps that it has taken during recent weeks, given ample evidence of its earnest desire to contribute in every way that seems to it practicable towards an amicable settlement of the present dispute in order that world peace may be preserved. The present suggestion, however, would not appear to be practicable, coming as it does at a moment when the appropriate agencies of the League of Nations, to which the Ethiopian Government has referred its dispute, are occupied in an endeavor to arrive at a solution under pertinent provisions of the Covenant which the Ethiopian Government itself has invoked.

836401—53——54

It is assumed in these circumstances that the Ethiopian Government will deem it wiser to await the outcome of this leadership and these organized efforts to preserve peace before suggesting that some other attempted peace machinery be projected into the situation.

While mediation is a time-honored practice and has, in times past, been utilized to advantage, your interrogator will doubtless agree that the creation of the League of Nations, of which Ethiopia is a member, has modified the situation in that it has furnished a forum to which disputes between member nations can be submitted for settlement by collective action of the member nations. It seems unnecessary in this connection to recall that any indication of willingness at this juncture by this Government to mediate, even if such action seemed feasible, might interfere with the efforts of the League agencies and of those Powers now striving earnestly at Geneva to reach a satisfactory solution of the present dispute. Such a development would obviously be contrary to the interests of all Governments concerned.

You may state in conclusion that, even though this Government is unable to respond favorably to the suggestion under reference, it appreciates the confidence reposed in it by the authors of the inquiry. They may be assured that this Government will continue to exert its best efforts in the cause of world peace and, to that end, will furthermore be prepared at all times to give sympathetic consideration to suggestions that may seem to it practicable.

HULL

765.84/1502

The Ambassador in Italy (Long) to the Secretary of State

No. 1318 ROME, September 17, 1935.
[Received October 2.]

SIR: I have the honor to report that this evening I saw Signor Mussolini at the Palazzo Venezia, by appointment. The request to see him was made after my recent return to Rome, and on last Saturday he advised me he would receive me today. I arrived at five o'clock, was kept waiting fifteen or twenty minutes, and left at six fifteen.

It just happened that the time of my engagement coincided with the development at Geneva which contemplated the imminent report of the Sub-Committee of Five assigned to the study of the Italo-Ethiopian dispute.

I told him that I had come to pay my respects after an absence of a considerable length of time. After an exchange of personal courtesies I said that I had no instructions from my Government to talk with him and that my Government did not know that I had an appointment with him and had no knowledge of my intentions of speaking with him. I asked if I might speak as an individual and without in

any way involving my Government. He said that I might speak in that way.

I said I wanted to be sure that he fully understood my conversation and asked if he preferred me to speak English or French. He said French would be better; so from that point the conversation proceeded in French.

I proceeded to say that I thought that he had today one of the greatest opportunities that any man could have. The position in which he found himself and the circumstances which existed offered him a chance to exert a great influence and do a very great service.

I proceeded to take up the matter mentioned to you in my 572, September 12, 5 p.m. I also had in mind your 143, September 14, 2 p. m.,[73] from the second paragraph of which I assumed that there was no prohibition placed upon me in the matter. Acting entirely on my own authority and specifically so stating and announcing that I was speaking as an interested and active student of European politics and anxious to see an adjustment not only of the present difficulties but of the complications which continually threatened the peace of Europe, I proceeded to outline my thoughts.

The Conference at Geneva is proceeding. Most of the Governments in the world are represented there. They are all frightened that war is imminent and afraid that it may spread.

They are in the mood to make some kind of mutual concessions for the common good and to prevent an outbreak of war. A subcommittee of the League is just about to bring in a report making a proposal to Italy and Abyssinia for a sort of compromise in order to avert hostilities.

In other words, the stage is set, and the psychology is correct for a movement to be made calling for mutual concessions on the part of the interested Powers with the possibility that the scope might be extended to include the important elements of European discord as well as the difficulties in Africa.

One of the troubles with the European situation is that these elements are not treated as a whole. They are taken up piece-meal. They recur, one by one, from time to time, and develop into clashes of interest which keep the whole of Europe in a state of political unrest. No attempt has been made to weave them all together and to eliminate at one time the major causes of trouble.

Referring to this situation and mentioning the anxiety which prevailed in Geneva and the desire which must be present there to make some mutual concessions in order to avoid the conflict which apparently every nation desires to avoid, I said that the nations in attendance at the League meeting were held together by a common thought,

[73] See footnote 72, p. 749.

and I believed any of them would be willing now to make some concession in the interest of general security and peace.

I approached Mussolini with an appeal to his alleged pacific intentions, with an appeal to his vanity, and with an appeal to his sense of the dramatic. I pictured the drama of his refusing a compromise offered by Geneva but immediately taking charge himself of the whole proceedings and making his own proposal as a supplement and demanding that the other Powers make some concession comparable to his. I appealed to his vanity by calling it his own idea—his Four Power Pact—his arrangement between Italy, France, England and Germany, the abortive pact which has never become operative but which might be used by him to further this program. I appealed to him in the ways which, as I understand him, are most apt to interest his understanding, sympathy, and support, with the hope that through those emotions might lie the way to induce him to consider some sort of compromise and pacific settlement. As I went through the recital he made only one or two interruptions. For the rest, he sat with rapt attention and an intent look upon his face. He betrayed no emotion. The expression on his face was fixed. His eyes were immovable and his attention was complete. I doubt if he had ever even in his own mind woven together all the elements of discord in Europe with the related problems of Africa. There was the necessity for German expansion. There was the necessity for Italian expansion. There was the independence of Austria. There was the right of Germany to arm. There was the air Locarno and the hope of reduced armaments. There was the security of France against attack by Germany. These were all woven together about Europe and Africa. The contributions to be made were that Italy should renounce some of her ambitions, even with the thought that the low-land tribes in Abyssinia might not consent and that he might have his little war anyhow. There was the contribution of Germany to guarantee the independence of Austria. There was the contribution of France to agree to the armament of Germany. There was the contribution of England to return part of Germany's African colonies. And there was the concession of England to join in an air pact to include Italy, which she has heretofore refused, having limited her proposal to France and Germany.

If it could be done, it would eliminate the constant irritation about German aspirations in Austria. It would eliminate the continuing French fear of German aggression, which is the football of politics in France and used by the intermittently reappearing members of the Cabinet as one of the means to maintain themselves in political control. It would provide for the systematic reduction of military establishments. It would provide an opportunity for the reduction of tariffs and obstacles to commerce and some sort of related stabilization

of monetary values. It would provide for realizing the expansionist aspirations of Germany and of Italy. It would take out of Europe the major points of clashing interest and re-introduce an era of limited armament, peace, and commerce.

I was saying that the Governments represented at Geneva are now held together by a common thought, and I believed any of them would be willing to make some concession in the interest of general security and peace, and that Geneva was about to make him some proposition of conciliation and compromise.

He interrupted to say "The compromise will not be acceptable."

I then continued, "I understand that to be the case, and let us assume that you do refuse; that you say, 'I will not accept the proposal'; but that you then take charge of the negotiations and say 'I have a proposal of my own to make to you. I will make certain concessions provided each of the great Governments in Europe will make concessions.' "

I suggested that he limit his ambitions in Ethiopia to the extent of leaving intact that part of the country which was the original Ethiopia, as indicated upon the maps which he had filed along with his memorial with the League of Nations, with certain additions to the South and Southwest, and that by agreement with England and France he occupy or take over a large part of the remaining territory but that the original Kingdom of Ethiopia be continued as an independent state.

That was to be his contribution to the general cause. Instead of proceeding to take over the whole territory he would himself suggest a renunciation of some of his objectives provided each of the western Powers would make some contribution of their own to the general cause of peace and proceed to eliminate the principal and recurring causes of war in Europe as well as in Africa. His contribution was based on the thought that he had proceeded with his military plans and that his soldiers were there and that his needs for territorial expansion had been admitted in various quarters.

It was then proposed that he demand of England and France certain concessions on their part. England was to agree to return to Germany a part of the former German colonies in southeast Africa.

At this point he raised up his hand and said, "England! Return colonies! It is to laugh! England would never return anything!"

I replied that he might find an unexpected willingness to cooperate and that he should demand of the other Governments that each of them make some contribution and that that would be the contribution of England. Germany would then be brought into the discussions. His own Four Power Pact would be operating. In case Germany should receive her colonies she would agree, as the *quid pro quo*, to guarantee the independence of Austria; that England, France, and

Italy should then admit the right of Germany to have the land and air armament which she now had and which existed as a matter of fact and that this would be the contribution of France. That the four Governments, England, France, Italy, and Germany, should agree immediately within fifteen or thirty days seriously to attend a conference for the reduction of their respective armaments and that the principles of Locarno be extended to the air and to include all four Governments, and at the same time to have another conference to consider stabilization amongst their currencies and the reduction of duties and tariff barriers.

In this way each of the four great Governments would be making contributions, and each of them would benefit proportionately, all of them having the prospect of a long period of peace in Europe and each of them gaining something direct and specific: Germany, her colonies; France, her security against attack from Germany reinforced by the air Locarno and with reduced German armies; Italy, the independence of Austria; and Italy and Germany, their right of expansion and an enlarged sphere of activity in Africa, and all without the war.

To all this he had listened attentively and with an apparent deep interest. His position did not change while I spoke, nor did he interrupt except for the two instances mentioned. When I finished he continued to regard me for a moment, then sat back in his chair, and in a very quiet voice said, "It is too late. My plans have developed too far. My soldiers down there could not be controlled. They would act on their own account, and what could I do with my army of a million?"

He then proceeded to elaborate upon the situation and to make a long historical review. He said that the Ethopians had a feeling of superiority as regards the Italians, which had started at the battle of Adowa and that the effects of it had been a source of irritation to Italy and had caused great difficulty in the Italian colonies, because the Ethopians thought they could act with something of contempt toward the Italians; that the celebration of the victory at Adowa was the national holiday of Ethopia and that each celebration was a matter of offense to Italy.

He then made a discourse of some length upon the nature of the people in that country and analyzed the component elements of the population, saying that of the ten million inhabitants seven million of them were subject races and slaves, and the subject races were subordinated to the ruling class and were similar to slaves in that they were not free; that the remaining three million of the population were the ruling element and were a very strong war-like race of mountaineers who were wonderful fighters and adversaries. They had subjugated all the surrounding tribes but they exercised no continuing influence or control over them from the point of view of political or

governmental authority; that the people were illiterate, wild, barbarous, and in no way entitled to consideration by or respect of civilized nations, for Ethopia was not a nation but an aggregation of slaves under a barbaric control.

Mussolini then proceeded to the question of sanctions, and he showed every indication of strong, deep feeling and some anger. He mentioned one by one the activities of France in Morocco, where he said the natives had been murdered by the wholesale, and that within the last few years, and without any public outcry or expression of pity, and that there had been no mention of sanctions; the Chaco War, for which various efforts in settlement had been made but that there had been no conversation about the application of sanctions; that action of Germany in violating the Treaty of Versailles during the present calendar year, and about that there had been no talk of sanctions; the action of the English in Irak four years ago in the course of which by their ruthless methods the inhabitants had been literally massacred, and without a word of protest from the public, and without even a mention of sanctions; the matter of Japan and her operations in Manchuria and in other parts of China in which they had infringed upon the sovereignty of China which was not a disgraceful or a barbaric state and that there had been not one word of sanctions; and that today in northwest India England is shooting down natives who rebel at her methods, and not a single criticism is levelled at her and no mention of sanctions; but when Italy (and here he sat up in his chair, raised his voice, wrinkled up his forehead, tapped his breast with his fingers, and looked at me with a direct intensity), "But when Italy proceeds to rectify wrongs which have been committed against her and to secure the rights of her colonies and to proceed to a legitimate expansion—which even England has recognized—when I proceed, they talk about sanctions!"

He then calmed down again and proceeded slowly in a quiet voice but determined manner to say, "It is too late to talk of compromise. It is too late to withdraw any of my plans for operation in East Africa. I will proceed. I will not interfere with anyone. I do not expect anyone will interfere with me. But I will not permit interference. I have one million men under arms in Italy. I have a competent navy. I have an air force with a certain superiority. I will not permit interference from any source."

He then followed this line of conversation: he said it is too late to talk of the things I had suggested and it is not timely as they involve European questions. This is purely a colonial matter for Italy. It must continue as a colonial and local matter. If it is continued that way, just as was the action of France in Morocco, there is no need for it to involve anybody. As soon as it ceases to be a colonial matter it becomes a European matter, and as soon as there are European

developments in a colonial matter it assumes a very complicated character. So that the only thing to do is to keep it a purely colonial matter, and if nobody interfered with him, he will interfere with nobody, but will proceed along the ways that he had planned and arranged.

He then referred to American history. He said that we had no very bad neighbors but that we had had from time to time, and that our history proved that we would insist upon and secure proper treatment of our nationals near the border and protect them from raids and molestations. He recalled the war with Spain over Cuba and remarked how roundly we had beaten Spain, who was at that time a bad neighbor. He mentioned the Civil War and said that the north had given a supreme effort and had beaten the south. He referred to our difficulties with Mexico and said that when that bad neighbor had harassed our borders, we had not hesitated to show our superiority and protect our interests. And he said that he thought that if America was troubled with neighbors like Abyssinia, who maltreated American citizens and disturbed the Government, America would feel the same way. The fact was that Italy had a very bad neighbor and had tried for a long time to live in amicable relations with her but that it was no longer possible to do so. He was proceeding to take care of Italian interests in the Italian colonies in East Africa and would render them secure from any further attacks and from any further indignities at the hands of the Ethiopians.

He added that Abyssinia would be civilized and opened up to commerce of all the nations after order had been restored. European and American capital and cooperation would be welcomed and business relations rendered secure.

I then referred to the reflection on the League and the diminished influence of that organization in the future if Italy proceeded in spite of its objections. He denied the League would suffer. He said he would not withdraw from it. That the League would continue and Italy with it. He then referred sarcastically to Egypt and asked, "Why is Egypt not a member of the League of Nations?" and answered the question by saying "Because England will not permit her to be." He said that he had no criticism to make of the British Empire or the way it was built up. He said that that was done in former times but that many of its peoples were still held in subjugation. While he had no desire to criticise England, he did not want England to pass judgment on him and would not admit her right to criticise him or his methods in Abyssinia.

Several times during the conversation I interrupted his remarks at pertinent points and reverted to one phase or another of the suggestion I had made, making arguments designed to appeal to the opportunity

which presented itself to him to settle not only the African question but all the important elements of the complicated European situation.

His responses were always reasonable and well considered but invariably negative as regards conciliation and definitely opposed to any compromise of any kind. His principal reactions to my suggestions were that it was a colonial matter and must be kept as such and that it was now too late, because of the advanced stage of his military preparations, to consider any compromise. As regards his remark that it was "too late" I must comment that it has always been "too late." He determined on this venture several years ago. In the summer of 1934 factories were working three shifts on war material, orders had been placed for cloth for uniforms for a large army and half a million sun-helmets were in process of manufacture, all of which I reported at the time. So that it was "too late" in 1934—and, of course, it is "too late" in 1935 to stop a war which had been conceived two years or more in advance, prepared for in the intervening time, and which is now ready to proceed.

His antagonism to England was marked. His sarcastic ejaculation that England would give up nothing in the way of colonies, when I projected the release of the former German colonies; his ironic reference to Egypt and her non-membership in the League of Nations, are indicative of his entire mental attitude toward England. There was apparent an ill-subdued hostility toward Great Britain as such, not only as regards her opposition to his plans in Ethiopia. He seemed to personify that marked hatred of England in all its manifestations which is a distinct feature of all Italy today. The reflections of that sentiment in the press are mild in comparison to the outspoken hatred one meets everywhere in Italy and in every walk of life—though it is to be remarked that that feeling is not universal, for some of the upper class are fearful of the impending clash and express great respect for England's power. But the Duce this afternoon was the epitome of a national antagonism.

He finally rose, and we walked slowly to the door. As I left him I impressed upon him again and asked him to remember that I was not this afternoon the spokesman of my Government and that I had broached the subject to him purely out of my understanding of European politics and out of my personal desire to be of service if possible in avoiding what had many characteristics of being a very great complication in Europe. He said that he understood and that he would consider it as such. He shook hands warmly, smiled genially, thanked me for my interest—and I left.

During this interview there were lacking any indications of the histrionic which have characterized some of my other interviews with him in the past. There was no play-acting at all. He was suave,

courteous, quiet, simple, direct, from time to time forceful, very expressive. Occasionally he gave evidences of temper, but never lost perfect self-control. Throughout it all he gave the definite impression of a calm, quiet, determined man who had made an irrevocable decision. There is no turning back nor turning aside. Mussolini intends to proceed in Abyssinia, insofar as the physical possibilities of his army, navy, and air force will permit, over any obstacles and in spite of any interference. If he is to be prevented, it will be by force of arms, and not by persuasion. His manner in speaking of his army, his navy, and his air force, left no doubt that the man is supremely confident of his ability to handle the situation and to handle England too in case she should attempt to prevent his actions.

In holding this conversation I realize that I engaged upon an undertaking which was dangerous in that it might have been used—might still be used—as a pretext for involving the American Government. I realized that when I decided to talk to him on the matter. However, I was prepared to act immediately in an effective way to disconnect the American Government from any complicity whatsoever, and I will be ready to conduct myself in a convincing manner in case the necessity develops. However, I do not expect any such contingency to arise. In the first place, I obtained Mussolini's consent to proceed in my individual capacity. In the second place, I doubt if he could use the incident to any advantage to himself or to his Government for the simple reason it would be additional evidence he had refused to consider another proposal for peaceful settlement.

However, I report the matter fully to you but do not ask you to approve my action or anything I may have said. I report simply as a matter of which you should be advised.

If I need to invoke any justification for my unauthorized action I will simply say that in the situation which exists I feel that any person with a full comprehension of the dangerous possibilities to European peace with contacts with persons in authority would be neglectful of his highest duties if he failed to do what he could to contribute to an understanding. I only regret that I have failed to achieve anything.

In closing I desire to call your attention to two phases of this interview which have singular political significance.

First. This proposal I made to Mussolini offered him a perfect road of escape. Instead of accepting an offer of compromise from the League I proposed to him the thought of an alternative which would have improved his diplomatic position, which could have been used to gain him credit in the world, which would have given him the offensive in the "battle for peace". It would have permitted him to shift his entire position and have enabled him to sit back and watch

others accept or refuse to compromise. Their refusal would have helped to justify him in the light of world opinion. It offered him a perfect "out".

He does not want an "out". He does not want a way of escape. He proposes to go straight ahead, in spite of everybody and against anybody.

His refusal to accept a suggestion which could, in those circumstances, be put to very great use in bolstering his esteem in world opinion, is very significant.

He is adamant. He is irrevocably determined and serenely calm and is riding into the face of a storm which will either ruin him and bring disaster to his country, or raise him actually to that pedestal where he is sentimentally placed by his fanatic adherents.

Second. One of his first remarks when I had finished speaking was, "What would I do with my army of a million?" And what would he do? To disband them would create merely a million unemployed. To stop war orders at the factory would throw others out of work and increase the number of idle, add possibilities for local discontent, and foment trouble. He now has no unemployed, everybody is busy, and the entire country organized. Economic necessity is driving him forward. Hope of fame and riches in Africa is lighting the way. The grandeur of Empire and the dream of glory buoy him up. His determination to fight his way through the encirclement of economic poverty and his fear of facing the social, economic and political phases of a *volte-face* have lined the road of his advance.

Respectfully yours, BRECKINRIDGE LONG

765.84/1203 : Telegram

The Chargé in Ethiopia (Engert) to the Secretary of State

ADDIS ABABA, September 17, 1935—noon.
[Received 1:05 p.m.]

96. The message in your 56, September 12, 6 p. m., and the statement in circular September 13th [74] have created a most excellent impression and are gratefully appreciated.

My informant states that the inquiry in my 92 [75] was based on the assumption that League action would fail and was not intended to request American diplomatic intervention except as a last resort to avert war. The Emperor seems prepared to go the utmost limit of concession compatible with national honor and dignity.

ENGERT

[74] Not printed; it contained summary of the Secretary's statement to the press, of September 12, 1935, p. 746.

[75] September 10, 3 p. m., p. 744.

765.84/1410

Memorandum by the Under Secretary of State (Phillips) of a Conversation With the Italian Ambassador (Rosso)

[WASHINGTON,] September 20, 1935.

The Italian Ambassador said that he desired to leave with me certain observations with regard to the Italian-Ethiopian crisis and at the same time to give me his personal views. Accordingly, he left with me the accompanying paper, which he did not wish to dignify by calling it a memorandum or an *aide-mémoire*.

The Ambassador spoke about the trend over the last 100 years of over-crowded European countries finding room and opportunities for their peoples in Africa, that Italy had not been able to acquire a worth while foothold and that the decision had been finally reached that Italy was entitled and obliged to find room in Africa for the expansion of her over-crowded population; the whole undertaking, therefore, was governed by the necessity for expansion and was merely following the system which had long been adopted of permitting whites to settle and improve territories which had formerly been occupied by backward peoples; the Ethiopians, he said, had merely taken advantage of their membership in the League of Nations to withstand Italy's desire for expansion; he could not understand the British attitude because months ago the Italian Government had made it clear to the British that their interests would not be involved in any way whatsoever and it was, therefore, a great surprise to find Great Britain now adopting its rigid position vis-à-vis Italy's aspirations.

At this point the Ambassador asked me whether I had any views as to how determined the British were, to which I replied that nothing in our despatches from London gave us any information on this point. I asked him whether he felt that the suggestions emanating from the Committee of Five in Geneva held out any hope for a peaceful solution; Rosso was clearly of the opinion that they did not go nearly far enough and that, unless they were substantially modified, the plan would not be acceptable to his Government; what Italy wanted, he said, was a protectorate over Ethiopia and the Committee's plan did not provide for it.

The Ambassador brought to my attention particularly the last paragraph on page four of his informal memorandum, in which it is stated that:

"that a withdrawal of Italian forces from the border would increase the Ethiopian arrogance in a very dangerous way".

In conclusion the Ambassador asked me whether I had any thoughts or observations with regard to the attitude of this Government which

I might care to give him. He said he had followed, of course, with great interest the Secretary's remarks and statements and he made this inquiry of me merely for the purpose of keeping up-to-date and in close touch with us. I said that I knew of no change, that we were praying that a solution might be found in Geneva or elsewhere, that the slight delay which had occurred as a result of the report of the Committee of Five [76] gave me a little hope that the "die had not yet been cast"; that, as he knew, the opinion of this country was one of deep concern at the possibility of war.

The Ambassador said that he assumed we were working on our list of articles which would be forbidden under our neutrality legislation, that various people were advising him as to what the list would represent, that some of his informants had told him that cotton and copper would be among the articles listed, but he realized that I was not in a position to give him any information and I assured him that I was not.

The Ambassador seemed to me greatly depressed and to feel that there was little hope of a successful conclusion to the Geneva negotiations.

WILLIAM PHILLIPS

[Annex]

The Italian Ambassador (Rosso) to the Under Secretary of State (Phillips)

Among the European Nations Italy has been the first—almost a century ago—to take an interest in that section of Africa, covering the territories which became later on a part of the Ethiopian State.

Through her explorers, scientific missions and missionaries, Italy has worked, since Cavour's times, to bring Abyssinia within the sphere of European civilization.

Between 1883 and 1887 Italy signed several treaties with various countries of Inner Ethiopia and, among other chiefs, with Menelik who was at that time the King of Scioa. It was chiefly through Italian help (Italy being interested in and desirous of stopping the state of anarchy prevailing in that part of the world) that Menelik was able to establish his authority upon the other Ras [*Rascs?*] and to proclaim himself as the Emperor of Abyssinia.

By the treaty of Uccialli, signed in 1889 with Emperor Menelik,[77] Italy was given the right of representing Ethiopia in all her dealings with foreign Powers. The Ethiopian Government refused

[76] League of Nations, *Official Journal*, November 1935, p. 1621.

[77] Treaty of Friendship and Commerce between Italy and Ethiopia, signed May 2, 1889, *British and Foreign State Papers*, vol. LXXXI, p. 733.

however to comply with that obligation and her attitude in that matter gave rise to a situation which developed in the armed conflict of 1895–1896.

The result of this—for Italy—unfortunate war was to limit Italian possessions in Africa to comparatively narrow stretches of land on the sea coast, which became the two first Italian colonies of Eritrea and Somaliland.

Having in mind the valorization and development of these two colonies, Italy started in 1896, and pursued for almost 40 years a policy of friendship towards Ethiopia. Such policy was aiming at the establishment of good relations based upon a mutually advantageous program of economic collaboration between the Italian colonies and Ethiopia. Unfortunately every effort Italy made in that direction was met by bad will and hostility.

Notwithstanding this lack of cooperation from the Ethiopian side, Italy took the initiative in 1928 following the visit to Addis Ababa of H. R. H. the Duke of Abbruzzi, of the conclusion of a Treaty of Friendship which was signed August 2, 1928.[78]

The treaty was supplemented by a special Convention[79] giving Ethiopia a free zone in the Italian port of Assab and providing for the construction of a motor road between Assab and Eritrea and Dessie in Ethiopia. While the special Road Convention was meant to foster trade relations between the Ethiopian Empire and the Italian East African Colonies, Italy felt justified to expect, as a result of the Treaty of Friendship, that the Ethiopian Government would give to Italian interests an equitable share, if not a privileged situation, in the economic development of the country. As a matter of fact the Italian Government undertook considerable works and expenses in preparing for the expected increase of traffic between her colonies and the neighbouring Empire. Her expectations however were shattered by the persistent lack of good will and by the open hostility of Ethiopia. From 1923 to the present time one can count at least 90 cases of very serious acts of aggression, of brigandage and armed incursions from Ethiopian bands on Italian territory.

Besides these acts of unruled violence, it is a proved fact that every time Italy found herself engaged in other fronts, the military moves of Ethiopia obliged the Italian Command to distract forces in order to face the menace from the Abyssinian side. Such things occurred for instance during the Libyan occupation when 50,000 armed men were massed in the Tigre border, while in 1915, during the world war, Negus Micael concentrated along the Italian frontier about 150.000.

[78] League of Nations Treaty Series, vol. xciv, p. 419.
[79] *Ibid.*, p. 441.

In 1926 Ethiopian intrigues in Somaliland were responsible for the clash of Buloborti, where some officers and many Italian soldiers were massacred. At the same time the Migiurtine rebels were receiving arms and munitions from Ethiopia.

In 1931 the Degiac Gabré Marian was the leader of an armed incursion along the river Uebi Scebeli.

We could not help being alarmed by acts of this kind, revealing a menacing attitude towards our colonies each time that Italy's attention was concentrated elsewhere. Our concern has grown from 1928 on, when we saw the Ethiopian Emperor devote most of the resources of the State to increase his armaments. That such a policy or [*of*] armament was aimed towards Italy we have always had good reasons to suspect. But our suspicion has become a certainty after the aggression of Ual-Ual.

The way in which such an aggression had been prepared and accomplished, as well as the attitude of the Government of Addis Ababa in dealing with the situation created therefrom have brought into the Italian mind the deep conviction that the Treaty of Friendship of 1928 had been signed by Ethiopia in bad faith and that the policy of cooperation Italy intended to follow had failed completely.

At the same time the Ual-Ual incident made Italy alive to the impending danger for her Colonies and forced the Government to take the necessary measures for their security.

That such measures might assume a radical character should be understood by those who can appreciate the extent of the Italian interests involved, as well as the special features of the situation, wherein the problem cannot be solved by half measures.

It is contended that the decision of Italy to have recourse to arms, if necessary, to protect her rights and interests is contrary to the obligations of the Covenant of the League of Nations and of the Kellogg-Briand Pact.

In answer to that, it is pointed out:

1) That Ethiopia was admitted into the League of Nations with the undertaking on her part to satisfy the conditions necessary for belonging to a society of civilized nations. These conditions have not been satisfied.

Two millions of slaves still exist in Ethiopia and slavery continues to be the chief source of trade. The country is under a semi-barbaric feudal regime and the State is unable to administer and control most of the territory.

The Kellogg-Briand Pact cannot restrict the right of a Country to take the measures necessary for the legitimate defense of her rights and security. Such an implication is derived from the fact that various Governments accepted the Kellogg-Briand Pact with reservations concerning their freedom of action in certain regions having a vital interest for their security.

In her present dealings with Ethiopia, Italy has to take into account the following facts:

1) that Ethiopia is today much stronger in armaments than she was a few years ago;
2) that the hostility and intolerance of the country towards the foreigners, and chiefly towards Italy, is constantly increasing;
3) that a withdrawal of Italian forces from the border would increase the Ethiopian arrogance in a very dangerous way.

765.84/1381 : Telegram

The Ambassador in the United Kingdom (Bingham) to the Secretary of State

LONDON, September 25, 1935—6 p.m.
[Received September 25—3 : 48 p.m.]

472. My 468, September 25, 2 p.m.[80] I saw the Foreign Secretary today and with reference to recent American legislation had occasion to discuss generally the American viewpoint very much as set forth in your 262 of September 20, 11 a.m.[81] He specifically asked me whether consideration had been given to the possibility of consultation among the signatories to the Kellogg Pact. I told him I had no information on this subject but that I felt the possibility of such action being agreed to by my Government had been limited by there being no precedent therefor. Sir Samuel said that he had no intention of attempting to urge any course of action upon the United States Government but that he hoped it might be possible for my Government to take steps which would tend to limit the war between Italy and Abyssinia in scope and time; that as the Italian Government was practically bankrupt they could not carry on the war for any considerable length of time unless they should be able to secure foreign exchange through the sale of products to other countries. I then referred again to recent legislation in the United States and said that in my opinion the United States Government would give consideration to this subject when and as occasion arose to do so; that I did not think it probable that my Government would join in sanctions in any Italian-Abyssinian conflict, my Government was interested in reducing the scope and time of the war and would give consideration to appropriate methods of doing so in the event of unanimous collective action by other powers. Sir Samuel then went on to say that he felt the French were supporting the British position at Geneva and, mentioning Sweden and Holland specifically, said that sentiment generally was hardening against Mussolini. I asked what position he thought Germany would take and he replied that he

[80] Not printed.
[81] *Post*, p. 836.

thought it unlikely Germany would take sides in this conflict but would wait rather like a scavenger to see what might be picked up. However, the economic condition of Germany was so bad that it was unlikely they could furnish much to Italy even if they desired to do so.

I told Sir Samuel that my Government was gratified at the frank information which he had given to me and to Mr. Atherton and hoped that this would continue. He assured me that it would and asked me specifically to express his thanks to the Secretary for his recent statement. Returning to the immediate question of Mussolini's intentions, Sir Samuel said he had no doubt that an Italian military advance will be begun within the next 2 or 3 weeks. He said that the policy of the British Government would be to invoke economic pressure, in the hope of limiting the duration of the war, as far as possible short of actual sanctions which he evidently wished it might not be necessary to invoke. He added that he hoped consideration would be given by the United States Government to aiding this effort as far as they might deem it proper to do so.

In conclusion he deplored the tendency in at least a portion of the United States press to misconstrue the British Government's effort to find a peaceful solution through the League and to represent that effort as a practical state of war against Italy on the part of Great Britain for the selfish object of protecting the British Empire. He further stated that his Government had been strengthened by the assurance of complete support from the Dominions, including South Africa.

BINGHAM

765.84/1381 : Telegram

The Secretary of State to the Ambassador in the United Kingdom (Bingham)

WASHINGTON, September 27, 1935—6 p.m.

270. Your 472, September 25, 6 p.m. With reference to your conversation of September 25 with the British Foreign Minister, I think it may be helpful to you to have by way of background the following exposition of the Department's present views on these matters for discreet use in any further conversations you may have with competent British officials.

With regard to Sir Samuel's inquiry as to whether consideration has been given to the possibility of consultation among the signatories of the Pact of Paris, it is assumed that in speaking of consultation Sir Samuel refers to consultation through diplomatic channels and that the only purpose of such action would be a formal invocation of the Pact of Paris by all the signatories thereto for the purpose of mobilizing world opinion in the Italo-Ethiopian controversy. While

this Government would not decline an invitation to consult through diplomatic channels with a view to the invocation of the Pact, we are of the opinion that consultation among the signatories of the Pact of Paris for any purpose other than that outlined above might appear to encroach upon the explicit functions of the Covenant of the League and of the members thereof, and it would therefore appear undesirable to endeavor to utilize the Pact of Paris as a substitute for the Covenant.

The clear intention of this Government to assist in the cause of peace through every practicable means was, of course, emphatically demonstrated by its intervention to bring about the withdrawal of an American company from the recently negotiated oil concession in Ethiopia.

It might be pointed out that the Johnson Act [82] prohibits the granting of loans or credits by private American citizens or corporations to the Italian Government or to any organization on its behalf. Furthermore this Government has adopted the policy of not approving any credits through the Export-Import Bank in connection with shipments of commodities or products to Italy. Private institutions in this country have likewise adopted the attitude of restricting credits to Italian borrowers. Finally, the recent neutrality resolution would require an embargo on the exportation of arms, munitions, and implements of war to the original belligerents in case of war.

In general, this Government has also supplemented the foregoing acts and possible acts by moral support which we have consistently given to the efforts made to arrive at a peaceful settlement of the dispute and would continue this support by any act it could take in the light of its limitations as occasions arise.

HULL

765.84/1460 : Telegram

The Chargé in Ethiopia (Engert) to the Secretary of State

ADDIS ABABA, September 29, 1935—8 p.m.
[Received September 30—9 : 30 a.m.]

106. My 104, September 29, 9 a.m.; [83] and 96, September 17, noon.

Although it is probably too late to attempt effective remonstrances, I submit that at this momentous crisis you may wish to put the United States on record by expressing to the Italian Ambassador in Washington your disappointment that his country should deliberately turn its back on the whole post-war structure for the maintenance of peace in the ruthless pursuit of expansionist aims. If the Paris Pact becomes a dead letter the world will relapse into international anarchy rendered infinitely more serious by the prospect of prolonged embit-

[82] April 13, 1934; 48 Stat. 574.
[83] *Ante*, p. 660.

tered relations between the white and colored races not only in Africa but also on other continents.

Although exasperated almost beyond endurance by Italy's insincerity and policy of provocation, Ethiopia has consistently refrained from taking up the challenge of Italian mobilization trusting that the principles of the Covenant and Paris Pact which had been almost universally accepted in theory would also be respected in practice. But the state of tension which has now existed for over a year is rapidly reaching the breaking point and a rupture of diplomatic relations with Italy seems inevitable. Not only will that cause an international situation of the greatest delicacy but it will destroy perhaps for generations the belief of backward peoples in intentional [*international?*] morality and the value of solemn treaties.

I fear as I did in Constantinople in 1914 that we are on the eve of a grave calamity fraught with all the elements of another World War. But unlike 1914, an awakened sense of responsibility today has caused more widespread resentment against brutal resort to force. Most nations of the world have to look hopefully to the United States and Great Britain for leadership where moral issues are involved. There may, therefore, still be time for an intimation that American public opinion, although perhaps unable to prevent the crude spoliation of a weak nation for the gratification of colonial ambitions, will at least unequivocally refuse to condone it.

ENGERT

765.84/1460 : Telegram

The Secretary of State to the Chargé in Ethiopia (Engert)

WASHINGTON, October 1, 1935—6 p. m.

62. Your 106, September 29, 8 p.m. I fully appreciate your point of view and I assure you that we shall continue to exert our best efforts toward a peaceful solution. The circular telegram of September 13 [84] repeated to you by the Embassy at Paris, set forth the public steps which we have taken with this end in view. I assume that you have been able to reconstruct the various steps outlined in the circular from the daily radio bulletins which have been mailed to you.

For your personal and strictly confidential information I may add that as long ago as August 19 the Chargé d'Affaires at Rome delivered the following personal message from the President to Mussolini:

[Here follows the text of the President's message to Mussolini, quoted in telegram No. 136, August 18, 1 p. m., to the Chargé in Italy, page 739.]

The effect of this message was negative. Mussolini repeated the usual Italian viewpoint and stated that it was now too late to avoid an

[84] Not printed.

armed conflict since Italy had mobilized a million men and had spent two billion lire.

In view of the foregoing I believe you will agree that action at this time along the lines of your present suggestion could not be expected to serve any useful purpose.

I believe you will be interested in having by way of background certain thoughts which we have recently communicated to the Ambassador at London with regard to the general position of this Government. With reference to the question of consultation under the Pact of Paris we pointed out that presumably the only purpose of such action would be a formal invocation of the Pact by all the signatories thereto with the idea of mobilizing world opinion. It was explained that while we should not decline an invitation to consult through diplomatic channels with a view to the invocation of the Pact, we were inclined to believe that consultation for any other purpose than that outlined might appear to encroach upon the very definite functions of the Covenant of the League and of League members and that it would be undesirable to make use of the Pact as a substitute for the Covenant.

With regard to possible steps open to this Government with a view to limiting the duration and extent of an Italo-Ethiopian conflict, you are of course aware that the Johnson Act prohibits the granting of loans or credits by private American citizens or corporations to the Italian Government. Moreover, the Export-Import Bank has declined to approve credits in connection with the shipment of products to Italy. A similar attitude toward Italian borrowers has been adopted by many private institutions in this country. The recent neutrality resolution would require an embargo on the exportation of arms, munitions and implements of war to the original belligerents in the event of war.

We have given our moral support to all the efforts that have been made to arrive at a peaceful settlement, and we shall continue this support by any action which we can properly take in the light of our limitations as occasions arise.

HULL.

765 84/1725 : Telegram

The Consul at Geneva (Gilbert) to the Secretary of State

GENEVA, October 10, 1935—3 p.m.
[Received 5:15 p.m.]

470. Consulate's 469, October 10, 3 p.m.[85]

1. Members of the British delegation inform me that the parallel drawn by Aloisi between Italy's present position and the situation

[85] Not printed.

envisaged by the British reservation to the Kellogg Pact is entirely specious. Legal adviser of the British delegation at my suggestion drew up and handed me informally the following memorandum conquestion was as follows:

"In his speech this morning Baron Aloisi quoted a passage from the note addressed by Sir Austen Chamberlain to the United States Ambassador on May 19, 1928 [86] in connection with the negotiations which ultimately led to the conclusion of the Kellogg Pact. The passage in question was as follows:

The language of article No. I as to the renunciation of war as an instrument of national policy renders it desirable that I should remind Your Excellency that there are certain regions of the world the welfare and integrity of which constitute a special and vital interest for our peace and safety. His Majesty's Government have been at pains to make it clear in the past that interference with these regions cannot be suffered. Their protection against attack is to the British Empire a measure of self defense. It must be clearly understood that His Majesty's Government in Great Britain accept the new treaty upon the distinct understanding that it does not prejudice their freedom of action in this respect.

The reasons which led to this statement being made and its effect are as follows. Under the Kellogg Pact if one party to it resorts to war against another party in violation of the Pact the other parties are at liberty, without violating their obligations under the Pact, to go to the assistance of the state attacked and to go to war with the attacker but if the state attacked were not a party to the Pact this provision would not be applicable. As Sir Austen Chamberlain pointed out there are certain regions of the world "the welfare and integrity of which constitute a special and vital interest for our peace and safety." His Majesty's Government were therefore unable to accept the position that in the event of one of the countries in question not being a party to the Pact and being attacked by a party His Majesty's Government should be debarred by the terms of the Pact from coming to the assistance of the country concerned. They therefore stipulated that in the event of an attack upon one of those countries by a party to the Pact they should be entitled without violating their obligations under the Pact to come to the assistance of the country concerned. The object of the statement in question was accordingly to reserve the right of His Majesty's Government to protect the countries concerned against external aggression.

It is obvious that a statement the object of which was to secure 'the welfare and integrity' of the countries in question cannot be used as a justification for action whose object is to impair or destroy the integrity of a member of the League of Nations".

He emphasized that the above information was given solely for our information and that it should in no wise be considered as officially transmitted by the delegation. He added orally the following information.

[86] *Foreign Relations*, 1928, vol. I, p. 68.

"The countries covered by the reservations are Egypt and certain Arab states bordering the Persian Gulf which Great Britain is under treaty obligations to defend.

Egypt was not then a signatory of the Kellogg Pact; upon her signature the reservation lost its significance in relation to her. Italy could claim a parallel juridical position only if she had had a mutual assistance treaty with Abyssinia prior to the signature of the Kellogg Pact and some other state subsequently attacked Abyssinia. Italy would then be justified in going to war with the attacking state."

2. The Japanese Consul General informs me that he believes his Government will be highly incensed at the portion of Aloisi's speech "attempting to draw a parallel between the Japanese position in 1931 and the present Italian position." He stated that he had deemed the matter of sufficient importance to telephone it to Tokyo.

3. I learn that Albania is the state which this morning reserved the right to speak at a later session, paragraph 3 of the Consulate's telegram under reference, and that strong pressure is being brought upon her by Italy to speak.

GILBERT

765.84/1752 : Telegram

The Ambassador in the United Kingdom (Bingham) to the Secretary of State

LONDON, October 11, 1935—6 p.m.

513. At the request of the Foreign Secretary I called on him this afternoon and he told me that he had given further and careful consideration to the possibility of some form of action being taken by the signatories to the Kellogg-Briand Pact. To this end he thought three alternative courses presented themselves: first, a request by the League itself through the Committee of Sixteen set up today to the Pact signatories to take up this question; that he felt himself that possibly such action coming from the League might produce an unfavorable reaction in the United States as an attempt to secure action under the ægis of the League, to which objection would probably be raised in the United States. He said that he and his colleagues in the Government, mentioning Mr. Baldwin especially, were deeply grateful for the information which had been given them from Washington and for the action taken so far, and they wished to avoid any possibility of causing any unfavorable reaction in the United States.

The second alternative which had occurred to him was along the lines of conversations through the diplomatic representatives of the Pact signatories, with a view to discovering whether some independent action in support of the action taken by the League itself could be brought about. In this instance Sir Samuel Hoare left open for con-

sideration the question of where the initiative for these conversations through diplomatic channels should lie.

His third alternative was the possibility of action initiated by the President of the United States and he said on this phase that he thought it had the advantage so far as the United States Government is concerned of being independent, either of the League or of Europe itself. He stated that he felt that some action by the Pact signatories would have great weight and value but again stressed his desire and the desire of his Government to avoid any act or statement, or even any suggestion, which would cause any unfavorable reaction in the United States.

He further said that he had received information today which led him to believe that Germany would be likely to follow any decision which might be reached by the American Government because he was informed, and he believed reliably informed, that Germany did not wish to be put in the position of supporting Italy; that while he thought Germany would resent any proposal coming from the League itself or any of its agencies he thought this would not be the case with any proposal originating with the United States Government.

I then conveyed to him the sense of the Department's 293, October 9, 9 p.m.[87] and he said that he fully understood the position outlined. He reiterated that he felt that some action taken by the Pact signatories would have great weight and that he hoped it might be possible for some move in this direction to be taken in the near future, and that he would be interested in learning any further views at as early a date as possible. In promising to convey the substance of his remarks, I most carefully refrained from in any way indicating how this suggestion would be regarded by the Department.

From this viewpoint I can see objections to any action being taken by us under the first or third of these alternatives.

BINGHAM

765.84/1784 : Telegram

The Secretary of State to President Roosevelt

WASHINGTON, October 13, 1935—4 : 30 p.m.

Your telegram October 13 [88] requesting exact language Paris Pact under which it can be "invoked". There is no provision and no language prescribing any method of its invocation. The Pact simply outlaws war as a solution of international controversies and renounces it as an instrument of national policy, and the signatories agree that

[87] See footnote 47, p. 843.
[88] Not printed.

all disputes of whatever nature shall be settled only by pacific means. Former Secretaries of State have unofficially expressed the opinion that the Pact impliedly authorizes and calls for consultation; and it is our view that consultation at the present stage at least does not contemplate anything more than a concerted or simultaneous appeal by all of the signatories to the belligerent countries to abide by their legal and moral obligations by desisting from further hostilities and returning to a state of peace.

The two substantive articles are as follows:

"Article 1. The High Contracting Parties solemnly declare, in the names of their respective peoples, that they condemn recourse to war for the solution of international controversies and renounce it as an instrument of national policy in their relations with one another.

Article 2. The High Contracting Parties agree that the settlement or solution of all disputes or conflicts, of whatever nature or of whatever origin they may be, which may arise among them, shall never be sought except by pacific means."

May I sum up our record thus far as follows: The League, with the special cooperation of England, France and others of its members assumed leadership and initiative at the outset in the endeavor to preserve peace. The United States, avoiding any interference with this plan and movement, sought to cooperate at every stage in every practical way consistent with our well defined foreign policy. These efforts of the United States revolved around the Paris Pact and our obligations under it. We repeatedly recited and emphasized the Pact and the solemn and inescapable obligations of each signatory. We went further and, to all practical intent and purpose, really invoked it both in public statements and special urgings upon the Italian Government. In reply to a British Government inquiry [89] we some days ago cabled Bingham [90] that we would not be opposed to accepting an invitation to a consultation of the signatories for the presumed purpose of further mobilizing world opinion. But we especially referred to what we and others had already said and done in this respect, and to what the League and its members have been and are doing in a far more substantial respect, and raised the question of the hurtful interference that might result to the League and its concrete program by now projecting an invocation of the Paris Pact. We have, during the days since, been closely observing and studying every phase of situation as it might involve Paris Pact and still are doing so. Our present slant of mind is as it has been heretofore, but we feel that if there is to be an invocation in existing circumstances not the American

[89] See telegram No. 472, September 25, 6 p.m., from the Ambassador in the United Kingdom, p. 766.

[90] Telegram No. 270, September 27, 6 p.m., to the Ambassador in the United Kingdom, p. 767.

Government nor the League but four to six important governments in North and South America and Europe would through diplomatic channels more appropriately initiate this formal step.

I herewith submit proposed draft of cable to Bingham for your approval [91] as follows:

[Here follows text of telegram No. 299, October 14, 1 p.m., to the Ambassador in the United Kingdom, printed *infra.*]

HULL

765.84/1752 : Telegram

The Secretary of State to the Ambassador in the United Kingdom (Bingham)

WASHINGTON, October 14, 1935—1 p.m.

299. Your 513, October 11, 6 p.m. I have studied carefully your report of the Foreign Secretary's statements and your response and have noted his statement that he would like to have any further views of ours at as early a date as possible.

We have consistently been favorably disposed in principle toward the idea of calling attention to the obligations of all signatories to the Pact. In several public statements and diplomatic communications prior to the outbreak of hostilities I emphatically called attention to the Pact and the obligations of its signatories and this Government's view that these are solemn obligations. We realize, however, and I am sure that the British Government has the same realization, that there is in the Pact no provision for action by the signatories in the event of disregard of their commitments by any of their number. The only effective action that can be taken in direct relation to or under the Pact would seem to be in connection with public opinion, and it would seem that for greatest effectiveness such action should better precede than follow the beginning of hostilities. Such questions as those of consultation or conference among the Powers are questions which would exist and which would have much the same character were the Pact not in existence. Therefore it would seem to me that the opportune moment for collective invocation of the Pact or of any action posited on the Pact, such as a conference, if a conference could in any case be based on the Pact, has gone by. I feel that, many factors being taken into consideration, especially the factor of public opinion in this country, it would be better not to talk of the possibility of holding a conference. However, if several other of the signatory powers should feel disposed to initiate through diplomatic channels a proposal for concerted or simultaneous utterance by the signatories, in reference to the Pact and to violation thereof,

[91] In a telegram dated October 14, 1935, President Roosevelt replied: "Think draft of your proposed cable to Bingham is excellent." (765.84/1783)

our attitude now as heretofore would not be in opposition, notwithstanding the facts and conditions to which we have called attention. In view of what the United States has already done, dramatically and emphatically, I doubt whether it would be wise for a renewed initiative to come from this country. It would seem to me preferable that there be discussion by some half dozen of the more important nations in Europe and North and South America through diplomatic channels.

Apart from the foregoing, but of equal importance, should not serious consideration be given to the opinion which I advanced recently to you that the projection now of the Paris Pact into the situation might seriously interfere with the League's program.

In connection with the whole question of possible lines of cooperation, it should at all times be remembered by all concerned that the United States is definitely committed to a policy of not becoming entangled and of avoiding being drawn into any orbit of hostilities.

You should seek an early appointment to talk to the Foreign Secretary, following closely the substance of the above.

Repeat to Paris and Amdelgat for Consul, Geneva, for their information.

HULL

765.84/2215 : Telegram

The Chargé in Ethiopia (Engert) to the Secretary of State

ADDIS ABABA, October 30, 1935—9 a.m.
[Received 7:47 p.m.]

147. Fragmentary reports of Secretary Hull's recent reiteration of "sympathetic interest" in the League's efforts have caused much satisfaction here as evidence of the United States Government's continued desire to see that the principles of the Paris Pact be upheld. In my conversations with the Emperor and others, I have had occasion to explain that just as America's moral influence would always be found on the side of all sincere efforts for the preservation of peace, so it could be relied upon to favor all genuine and unselfish attempts to shorten war.

I am often asked how it is that in 1933 the United States had expressed readiness not to interfere with any collective pressure that might be adopted against an aggressor state, while now our neutrality laws and arms embargo make no distinction between the aggressor and the victim. My reply is that our attitude in 1933 had been expressly contingent upon the signing of a general disarmament agreement and that when no such agreement was reached, we retained complete freedom of action. Am I correct?

Although officially our arms embargo has been a disappointment to the Ethiopians, privately they admit that in practice Italy is much harder hit than their country especially as they can now procure arms and munitions more quickly from Europe. It is also recognized that by abandoning our traditional policy regarding freedom of the seas we are indirectly facilitating the task of the League in imposing any economic sanctions that might lead to a blockade.

The general impression prevails that now that Italy has been definitely indicted as the aggressor, the United States will not insist too much on its normal rights as a neutral power if those rights might lead to disagreements with the powers engaged in applying international sanctions. In other words, it is hoped that we would tacitly acquiesce in, and not actively oppose, collective measures on the part of League members with a view to stopping the war as soon as practicable.

In order to avoid misunderstandings and possible disappointment, I have been very careful to emphasize the fact that our neutrality legislation has its origin in an overwhelming desire of the American people not to become involved in war and has no specific relation to the Italo-Abyssinian conflict. It was I explained the reflection of a fundamental policy not to be drawn into a European crisis rather than an attempt to cooperate in punitive action against an aggressor.

ENGERT

765.84/2215 : Telegram

The Secretary of State to the Chargé in Ethiopia (Engert)

WASHINGTON, October 31, 1935—7 p.m.

88. Your 147, October 30, 9 a.m. We are repeating in a separate telegram the text of my reply of October 26 [92] to the President of the Committee of Coordination of the League in answer to his communication informing me of the action already taken at Geneva. I believe that this text will enable you properly to interpret our position.

With reference to the question raised in the second paragraph of your telegram there is quoted below the statement made by Mr. Norman Davis on May 22, 1933 before the General Commission of the Disarmament Conference at Geneva: [93]

"In addition I wish to make it clear that we are ready not only to do our part toward the substantive reduction of armaments but, if this is effected by general international agreement, we are also prepared to contribute in other ways to the organization of peace. In particular, we are willing to consult the other states in case of a threat to peace, with a view to averting conflict. Further than that, in the event

[92] See telegram No. 193, October 26, 2 p. m., to the Minister in Switzerland, p. 852.
[93] See *Foreign Relations*, 1933, vol. I, pp. 121 ff.

that the states, in conference, determine that a state has been guilty of a breach of the peace in violation of its international obligations and take measures against the violator, then, if we concur in the judgment rendered as to the responsible and guilty party, we will refrain from any action tending to defeat such collective effort which these states may thus make to restore peace."

HULL

IV. Cancellation by the Standard Vacuum Oil Company of a concession in Ethiopia upon the advice of the Department of State

884.6363 African Exploration and Development Corp./1 : Telegram

The Chargé in Ethiopia (Engert) to the Secretary of State

ADDIS ABABA, August 30, 1935—noon.
[Received 1:10 p.m.]

84. Petroleum concession was signed this morning between the Ethiopian Government and the African Exploration and Development Corporation registered in Delaware and understood to be a subsidiary of the Standard Oil Company of New Jersey. No announcement to be made until tomorrow.

Concession is for 75 years and covers entire area east of line from Lake Rudolph to Hawash Railway Bridge and thence due north to Eritrea. Company will pay annually 25,000 pounds gold coin or bullion or equivalent thereof and royalty one shilling sixpence per ton for first 25 years and more thereafter. Company shall within 1 year make geological survey and within 5 years begin drilling operations until sufficient petroleum has been discovered to meet all Ethiopian requirements plus 2 million and a half tons annually for export. As soon as pipeline commercially justifiable it shall be constructed to a suitable port. If required by the Government the company shall refine enough kerosene and fuel oil for local consumption. Company may erect and maintain its own telegraph, telephone and wireless throughout Ethiopia without charge, import free of duty for 21 years all machinery, et cetera, required for the concession and its properties, exports, profits, et cetera, shall be tax exempt. If the company cedes the contract to a foreign government it shall be without indemnity.

Full text by mail.

ENGERT

884 6363 African Exploration and Development Corp./6

The British Chargé (Osborne) to the Secretary of State

AIDE-MÉMOIRE

His Britannic Majesty's Chargé d'Affaires has received telegraphic instructions from Sir Samuel Hoare to invite the Secretary of

State's attention to the report published in this morning's papers regarding the concession alleged to have been obtained by Mr. F. W. Rickett for the "African Exploitation [*Exploration*] and Development Corporation" for sole rights to oil, mineral and other natural resources in Eastern and Southern Abyssinia for a period of 75 years and regarding the negotiations said to be in progress concerning the development of the Lake Tsana dam.

Mr. Osborne is directed to inform Mr. Cordell Hull that the position of His Majesty's Government is as set forth in the following statement which has been communicated to the press:—

His Majesty's Government have no information about the reported concession granted by the Ethiopian Government to an Anglo-American financial group represented by Mr. Rickett at Addis Ababa and, until official confirmation has been received as to real facts, they are disinclined to attach undue importance to this information. No official or unofficial support whatever has been given to Mr. Rickett by His Majesty's Government, who have made it clear on several occasions that they have no Imperial economic interests in Abyssinia except Lake Tsana, and even on that question Mr. Eden stated in the House of Commons on July 9th that His Majesty's Government had informed the Ethiopian Government that they favoured postponement of any agreement on the grounds that they did not wish to take any step which might aggravate the present unfortunate controversy between Italy and Abyssinia at a moment when they were using their best endeavours to secure a solution. His Majesty's Government, though mindful of the interests of Egypt and the Sudan in the Upper Basin of the Blue Nile, were content to await a more suitable moment before pressing forward with this scheme.

It stands to reason therefore that the last thing that His Majesty's Government would have thought of doing in present circumstances would be to give any support or encouragement of any nature to an enterprise of this character.

WASHINGTON, August 31, 1935.

884.6363 African Exploration and Development Corp./9 : Telegram

The Secretary of State to the Ambassador in the United Kingdom (Bingham)

WASHINGTON, August 31, 1935—4 p.m.

236. Your 418, August 31, noon.[94] In reply to questions raised at the press conference this morning I stressed the fact that we knew nothing about the African Exploration and Development Corpora-

[94] Not printed.

tion or its plans and that we had no advance information that the corporation was seeking a concession in Ethiopia. I added that on the basis of facts now available I could not see that any question presented itself to this Government.

You should inform the Foreign Office in the above sense and keep the Department fully and promptly informed of any developments that may come to the attention of the British authorities.

HULL

884.6363 African Exploration and Development Corp./3 : Telegram

The Chargé in Ethiopia (Engert) to the Secretary of State

ADDIS ABABA, September 2, 1935—1 p.m.
[Received September 2—12 : 20 p.m.]

86. My 84, August 30, noon. In reply to questions from my colleagues and the press I have consistently maintained the concession was a purely commercial matter without any political significance whatever and that neither the American Government nor this Legation had taken part in the negotiations. I should be glad to have the Department's approval and guidance.

I understand Rickett, who signed on behalf of the company, tried also to obtain contract for Lake Tsana project but was referred to the White Corporation. [95]

ENGERT

884.6363 African Exploration and Development Corp./18 : Telegram

The Secretary of State to the Ambassador in the United Kingdom (Bingham)

WASHINGTON, September 3, 1935—4 p.m.

240. At the press conference this morning when asked by correspondents concerning the reported oil concession in Ethiopia and our attitude with regard to it in its relation to the Italian Ethiopian controversy, I replied as follows:

"It has not thus far been possible to secure the full facts relative to the reported oil concession transaction in Ethiopia. The reported concession, as I stated on last Saturday, was made without this Government having in any way been consulted or informed. A sufficient amount of information, however, has since been received to enable me to say definitely that, whatever the nature of this transaction may prove to be, either commercially or politically or both, the attitude and policy of this Government towards the controversy between Italy and Ethiopia will be maintained hereafter just as it would have been maintained had this reported oil transaction not occurred.

[95] The J. G. White Engineering Corporation, of New York.

"The central point in the policy of this Government in regard to the Italian and Ethiopian controversy is the preservation of peace—to which policy every country throughout the world is committed by one or more treaties—and we earnestly hope that no nations will, in any circumstances, be diverted from this supreme objective."

Please transmit a copy of my statement to the Foreign Secretary for his information and send copies to the Embassies in Paris and Rome and to the Consulate in Geneva.[96]

HULL

884.6363 African Exploration and Development Corp./13 : Telegram

The Secretary of State to the Ambassador in the United Kingdom (Bingham)

WASHINGTON, September 3, 1935—6 p.m.

241. Representatives of the Standard Vacuum Oil Company called to-day and informed the Department of the negotiation by Rickett, on behalf of the African Exploration and Development Company, a recently created subsidiary of theirs, of the oil concession in Ethiopia which has received world-wide publicity and occasioned political agitation during the past 3 days. This was the first information which the Department had had from any source except the press and reports of the last 3 days from abroad with regard to any phase or feature of this transaction. The Standard Vacuum representatives affirmed that they had been interested in this matter for some time back and had proceeded with it purely as a commercial transaction. They expressed surprise at the excitement which it had caused and asked the Department's advice as to what they should do under the circumstances. The Department officially advised that they take immediate steps to cancel the contract and Department expressed a favorable opinion of a draft statement which these representatives had prepared giving the history of the concession and adding a declaration of their intention to cancel it.

In the conversation which led to that conclusion, the Department emphasized the embarrassment which this transaction had occasioned to the American and other Governments which are interested in the cause of peace.

I have just given out the following statement to the Press:

"Mr. George S. Walden and Mr. H. Dundas, Chairman of the Board and Vice President, respectively, of the Standard Vacuum Oil Company, called on September 3, 1935, to make known to the Department that their Company is the owner of an extensive oil concession granted by the Emperor of Ethiopia on August 29th, last, to the African Explo-

[96] The Secretary's statement herein quoted was also transmitted to the Chargé in Ethiopia in Department's telegram No. 51, September 3, 5 p.m., not printed.

ration and Development Company, a subsidiary of the Standard Vacuum Oil Company, and to seek the Department's advice on the situation created by the grant.

The officials of the above-mentioned Company were informed that the granting of this concession had been the cause of great embarrassment not only to this Government but to other governments who are making strenuous and sincere efforts for the preservation of peace.

In the circumstances, the Company officials were informed of the views of this Government that it was highly desirable that the necessary steps should be taken at the earliest possible moment to terminate the present concession.

The Secretary of State was later informed by the above officials of the Company that the Company has decided to withdraw from the concession; is so notifying the Emperor, and is giving a statement to the press to that effect."

Please convey a copy of this statement to the Secretary of State for Foreign Affairs and repeat to Paris as Dept's 357 for transmission to the Foreign Office; also repeat to the Embassy at Rome as Dept's 142.

HULL

884.6363 African Exploration and Development Corp./19 : Telegram

The Secretary of State to the Chargé in Ethiopia (Engert)

[Extract]

WASHINGTON, September 3, 1935—7 p.m.

52. The following statement was issued to the press tonight:

[Here follows the statement quoted in telegram printed *supra*.]

There follows the statement issued by Mr. Walden in which he reviews the history of the negotiations and concludes with the following paragraphs:

"This matter was handled in the regular course of business as a private transaction with Ethiopia, but without consultation with any other Government.

In view of the misleading nature of the news comment in Saturday morning papers, I felt it necessary to give all the facts to our State Department before issuing any public statement. Today I have done this, and after conference with the Secretary of State have decided to advise the Ethiopian Government of our intention to abandon the concession."

You should seek an immediate audience with the Emperor and apprize him of the foregoing. At the same time you should advise him that the African Exploration and Development Company has informed the Department that the Company will transmit to Addis Ababa as soon as possible formal written notice of its intention to abandon the concession.

HULL

884.6363 African Exploration and Development Corp./23 : Telegram

The Chargé in Ethiopia (Engert) to the Secretary of State

ADDIS ABABA, September 4, 1935—8 p.m.
[Received September 5—9 : 25 a.m.]

88. The Emperor sent for me this afternoon and asked me if I could confirm a news report current since this morning. His Majesty said he understood that the State Department had brought pressure to bear on the American interests which had been backing the company that had just obtained an oil concession in Ethiopia and that as a result the company would probably withdraw. He said that he would regret this very much as he had been influenced in granting this concession by the knowledge that the United States are politically disinterested and at the same time possess the technical skill and experience to contribute to the economic development of his country. His Majesty added that he also intended the concession to be a proof of his friendly feelings towards America and to show his appreciation of the sympathetic interest the Government and the people of the United States were displaying in the difficulties in which Ethiopia finds herself involved.

Upon returning to the Legation from the Palace I found the Department's numbers 51 [97] and 52. In view of the above statement by the Emperor may I suggest that in communicating the decision of the company to him I be authorized to assure him in such language as the Department may desire that his sentiments of cordiality and good will are appreciated and reciprocated and that the advice given to the interested companies by the Department is no indication of a change but on the contrary is intended to be helpful to Ethiopia.

ENGERT

884.6363 African Exploration and Development Corp./22 : Telegram

The Chargé in the United Kingdom (Atherton) to the Secretary of State

LONDON, September 5, 1935—noon.
[Received September 5—6 : 52 a.m.]

424. I conveyed the information contained in the Department's 240, September 3, 4 p.m. and 241, September 3, 6 p.m., to the Acting Under Secretary yesterday morning who was grateful for the confirmation of the reports the Foreign Office had received. He further expressed appreciation for your prompt and sufficient action which he intimated had made their path much easier.

[97] See footnote 96, p. 781.

Subsequently he wrote me a note which I received this morning asking that Sir Samuel Hoare's thanks be added to his. Foreign Secretary is for the moment confined to his house.

I venture to point out that at no time in my discussions at the Foreign Office has any reference been made to the so-called American oil concession.

ATHERTON

884.6363 African Exploration and Development Corp./29 : Telegram

The Secretary of State to the Chargé in Ethiopia (Engert)

WASHINGTON, September 5, 1935—6 p.m.

53. Your 88, September 4, 8 p.m. You are authorized, in communicating the Company's decision to the Emperor, to include in appropriate language the substance of paragraph 2 of your 88, September 4, 8 p.m., but modified to read "helpful in the cause of peace" instead of "helpful to Ethiopia."

You should also bring to his attention the substance of my statement quoted in the Department's No. 51, September 3, 5 p.m.,[98] and give particular emphasis to the second paragraph of that statement referring to "the central point in the policy of this Government."

I am confident that you will be able to convince the Emperor that my intervention in the matter of the oil concession was motivated solely by a desire to preserve the peace, to remove impediments to peace, and strengthen the hands of those Powers, including the United States, which are making strenuous and sincere efforts to that end.

HULL

V. Application of the neutrality laws of the United States

765.84/294

Memorandum by the Chief of the Division of Near Eastern Affairs (Murray)

[WASHINGTON,] April 27, 1935.

The Italian Ambassador[1] called on me this morning and said he wished to convey to me quite informally the substance of a telegraphic instruction which he had just received from his Government and which in translation is more or less as follows:

"The Italian Ministry of Foreign Affairs is informed that the Ford Motor Company is furnishing to the Ethiopian Government large quantities of motor cars for military use by that Government.

[98] See footnote 96, p. 781.

[1] Augusto Rosso.

"Please take this matter up in a friendly and informal way with the State Department, inquiring whether it cannot exert its influence with the Ford Company with a view to preventing the shipment of the above-mentioned supplies, which as well as all other supplies contribute to the strengthening of the aggressive tendencies and *intransigeance* of Ethiopia towards us and consequently render more problematic a pacific solution of the present Italian-Ethiopian dispute.

"Similar representations have already been made by the Italian Government to certain European governments and we have received assurances, from the British, Czechoslovak, Belgian, Danish, Swiss and the German governments that steps will be taken to prevent military supplies being sent to Ethiopia from those countries. The Italian Government is confident that the American Government will follow the same line of action."

The Italian Ambassador then went on to state that he had information to the effect that the Ethiopian Government had contracted with the Ford representative in Addis Ababa for the delivery in May of thirty chassis.

.

With regard to the Ambassador's instructions respecting the sale of Ford cars to Ethiopia, I reminded him that while it was the traditional policy of this Government not to encourage the export of arms and munitions, and this policy has been and is being rigidly enforced, the President was entirely without authority in the absence of specific legislation to prevent the export of military supplies to any country. I recalled the specific legislation authorizing the President to prevent shipments of arms and munitions to either Paraguay or Bolivia at the present time.

I reminded the Italian Ambassador, however, that the purchase of Ford cars by Ethiopia could hardly be described as "arms and munitions of war". I also ventured my personal view that public opinion in this country would be unfavorably impressed by any endeavor to give effect to the present request of the Italian Government in view of the publicity which has been given to the large Italian shipments of troops and munitions of war to Ethiopia.

The Ambassador said he agreed with me thoroughly and was sure that we could do nothing to assist his Government in the present instance but that he felt under the necessity of making the request.

In this general connection it may be observed that although the Joint Resolution approved January 31, 1922,[2] authorizes the President to prohibit the export of arms and munitions of war to "any country in which the United States exercises extraterritorial jurisdiction" when conditions of domestic violence exist, it does not appear that such conditions exist in Ethiopia at the present time. Accordingly,

[2] 42 Stat. 361.

it is apparent that it would hardly be in order for the President to issue an embargo proclamation under the existing situation in Ethiopia.

WALLACE MURRAY

765.84/285

Memorandum by the Under Secretary of State (Phillips)

[WASHINGTON,] May 2, 1935.

During his call this morning the Italian Ambassador referred to the situation in Ethiopia and to the reports that large supplies of arms and ammunition were being purchased in this country for the Ethiopian Government. I replied that this was the first I had heard of any such transaction; that I doubted its accuracy and that it seemed to me very improbable that the credit of Ethiopia was such that American companies would dispose of large supplies to it. It was possible that small purchases had been made, but I could not see very well how we could stop them. The Ambassador seemed to understand our position in this regard. He went on to describe the situation as he saw it vis-à-vis Ethiopia; his Government did not wish to declare war on Ethiopia; they wished merely an outlet for Italian commercial activities, and that various parts of Africa was made use of by other European countries for similar purposes. As proof of his statement, he referred to the fact that only a comparatively small army had been dispatched from Italy, mentioning, I believe, 30,000 men, which was far from the amount necessary if it had been the intention of Italy to absorb Ethiopia. I said that I was somewhat fearful of sickness among the Italian soldiers as soon as the heat of the summer began, and the Ambassador admitted that this was a very serious problem.

WILLIAM PHILLIPS

765.84/382 : Telegram

The Chargé in Italy (Kirk) to the Secretary of State

ROME, June 15, 1935—6 p.m.
[Received June 15—4:30 p.m.]

299. During a visit at the Ministry of Foreign Affairs today an official connected with the Bureau dealing with Abyssinian affairs said that he had been instructed by the Under Secretary to convey to me the following observations. He said that he need not emphasize the fact that the Italian Government regarded the situation in Abyssinia as very grave and one that affected not only Italy but the civilized world in general. The Abyssinians, he continued, were exerting every

effort to expedite their war preparations and to that end had placed large orders for the purchase of war materials abroad and that among these purchases were supplies of Ford and Chevrolet trucks ordered in the United States which were destined for military use in Ethiopia. These purchases abroad the official said not only increased the danger of an outbreak by augmenting the supplies of war materials in the hands of the Ethiopians but also rendered more difficult the attempt to negotiate an amicable settlement of the Italo-Abyssinian controversy in that the Government at Addis Ababa regarded all such assistance from abroad as an expression of sympathy in their cause. He stated that this matter had been discussed by Ambassador Rosso at the Department of State and that the Italian Government was fully aware of the practical difficulties in the way of any action on the part of the American Government in exercising any control over the purchases in the United States which he had described. He added, however, that assurances had been received from practically all European manufacturers of war materials that regard would be paid to what was considered the special situation in Abyssinia and he hoped that some means might be found to discourage American manufacturers from filling orders on behalf of Abyssinian Government for materials adapted to war purposes which incidentally he believed would never be paid for.

At the conclusion of this statement I told the official that I did not doubt that the entire matter had been fully explained and placed in its proper aspect in the course of Ambassador Rosso's conversation at the State Department and that I would make a record of the foregoing observations in the Embassy here.

In connection with the foregoing see Department's instruction 451, May 9.[3]

KIRK

765 84/386 : Telegram

The Chargé in Italy (Kirk) to the Secretary of State

ROME, June 19, 1935—5 p.m.
[Received June 19—3:05 p.m.]

305. Today's press carries news despatch from New York stating that it is learned from reliable sources that in view of the probability of war in Abyssinia the American Government has in principle decided to recall its diplomatic agent in Addis Ababa and make an explicit declaration of neutrality. It is also stated that in reply to pressure brought by anti-Italian elements on the ground of the re-

[3] Not printed.

sentment of the Negro population a highly placed American official is alleged to have called attention to the equally strong potential resentment of the Italian population. The despatch concludes that unquestionably any anti-Italian action based on alleged American sympathies for the Abyssinians would provoke strong reaction from American-Italians who are following developments with "fervid patriotism".

KIRK

765.84/382 : Telegram

The Secretary of State to the Chargé in Italy (Kirk)

WASHINGTON, June 19, 1935—6 p.m.

101. Your telegram No. 299, June 15, 6 p. m. Following for your confidential information.

There are no treaties or statutes restricting the exportation from the United States of arms and implements of war consigned to either the Italian or the Ethiopian Government. Under existing conditions, the Department does not contemplate taking any steps to secure legislation under which restrictions on the exportation of such articles to Italy or Ethiopia could be imposed. Automobile trucks do not in any case come under any recognized definition of what constitutes arms and implements of war.

We have no information, other than that contained in the statements made to you at the Ministry of Foreign Affairs and by Rosso in his conversations on April 27 and May 2, in regard to any recent shipments of arms or other war supplies from this country to Ethiopia. We are endeavoring to obtain statistical information which will be transmitted to you.

HULL

765.84/562 : Telegram

The Chargé in Ethiopia (George) to the Secretary of State

ADDIS ABABA, July 18, 1935—4 p.m.
[Received July 18—10:50 a.m.]

60. In public speech to Parliament this morning Emperor reviewed situation, declared Italy has had for 40 years criminal intention conquer Ethiopia, present aggression premeditated, cowardly, odious. Emperor will go to front, as will women according to tradition. Emperor pledged his word foreigners remaining in Ethiopia will be unmolested by Ethiopian hand.

GEORGE

765.84/604 : Telegram

The Chargé in Ethiopia (George) to the Secretary of State

ADDIS ABABA, July 23, 1935—noon.
[Received July 23—8 : 50 a.m.]

61. Italian Minister, protesting Emperor's latest speech, declined to attend official reception or dinner Emperor's birthday today. Rupture of diplomatic relations may result. I was most graciously received at impressive ceremonies this morning at Palace and returning therefrom loudly acclaimed all along route by cries of Live America.

GEORGE

711.00111 Armament Control/9

Memorandum by Mr. Joseph C. Green of the Division of Western European Affairs

[WASHINGTON,] August 28, 1935.

Marquis Alberto Rossi Longhi, Counselor of the Italian Embassy, called at my office by appointment this morning. He said that he had been studying S. J. Res. 173 [4]—the so-called neutrality legislation enacted by Congress last week—and particularly Section 1 of that Joint Resolution. He said that he found the language so confusing and so difficult to interpret that he had come to me in the hope that I might enlighten him as to what it meant as his Government was naturally interested in this legislation.

We went over together the confused provisions of Section 1 and he said that it seemed clear to him that the Section was so worded that the President would be obliged to place an embargo on shipments of arms to both Italy and Ethiopia at some stage of any armed conflict which might arise between them, but that he might or might not in his discretion place a similar embargo on shipments to any other countries which might become involved in the conflict. From this he drew the conclusion that the legislation was directed, perhaps unintentionally, against Italy, as he said that there was no use blinking the fact that Congress had acted in view of the present tension between Ethiopia and Italy.

Rossi Longhi made it clear that in speaking of the possibility of other countries becoming involved in the impending conflict, he did not wish it to be inferred that he believed that they would become so involved. He said that there was no reason why other countries should become involved in what was merely a colonial enterprise on the part of Italy.

J[OSEPH] C. G[REEN]

[4] Approved August 31, 1935; 49 Stat. 1081.

711.00111 Armament Control/89b

The Secretary of State to President Roosevelt [5]

WASHINGTON, [September 25, 1935.]

MY DEAR MR. PRESIDENT: As it seems possible that hostilities may break out between Ethiopia and Italy during your absence from Washington, I have thought it best to have prepared, for your consideration, a draft of a proclamation drawn up pursuant to the terms of Section 1 of the Joint Resolution of Congress, which you approved on August 31, 1935. I venture to suggest that you may wish to take this draft of a proclamation with you in order that no time may be lost should the situation envisaged in Section 1 of the Joint Resolution arise during your absence. Although you are not obliged, under the terms of the Joint Resolution to proclaim immediately upon the outbreak of hostilities an embargo on arms destined to the belligerents, I presume that nevertheless you will wish to do so without delay. Should the occasion for issuing this proclamation arise during your absence, I shall communicate with you by telegraph. The enumeration of arms, ammunition, and implements of war which is proposed has been carefully prepared by officers of the Department in consultation with officers of the Department of the Treasury, the War Department, the Navy Department, and the Department of Commerce. It is identical with the enumeration contained in the Proclamation which the National Munitions Control Board has recommended,[6] pursuant to Section 2 of the Joint Resolution and I believe that it is a satisfactory list both from the technical point of view and from the point of view of efficient administration of the embargo.

Faithfully yours, [File copy not signed.]

765.84/1551b : Circular telegram

The Secretary of State to the Ambassador in the United Kingdom (Bingham) [6a]

WASHINGTON, October 3, 1935—4 p.m.

I appreciate the full and complete information you are sending and I know that you will keep us closely informed of the attitude of the

[5] An attached memorandum by Joseph C. Green, of the Division of Western European Affairs, states: "September 26, 1935. This letter was not signed. The Secretary took it with him to the White House on September 25 and discussed the matter verbally with the President, who signed the Proclamation referred to without dating it, and handed the signed Proclamation to the Secretary to be retained in the Department for use in case the occasion should arise during the President's absence. Joseph C. Green."

[6] See proclamation of September 25, 1935, regarding enumeration of arms, ammunition, and implements of war, 49 Stat. 3471.

[6a] The same, *mutatis mutandis*, October 3, to the Ambassadors in France and Italy, and to the Consul at Geneva; also a similar instruction on the same date to the Chargé in Ethiopia as telegram No. 63.

British Government toward events as they develop. In order that I may be in a position, however, to advise the President in connection with the requirement that an embargo on shipment of arms, ammunition and implements of war be declared "upon the outbreak or during the progress of war between or among two or more foreign states," I am particularly anxious to receive any information which would have a bearing upon the President's decision as to whether war has broken out or is in progress.

HULL

765.84/1525 : Telegram

The Ambassador in Italy (Long) to the Secretary of State

ROME, October 3, 1935—4 p.m.
[Received October 3—11:51 a.m.]

644. The following official communiqué number 10 is published in the press this afternoon.

"The order for general mobilization in Ethiopia under the pressure of the warlike and aggressive spirit fomented among the chiefs and ordinaries who have been clamoring for some time for war against Italy and recently forced it, represents a direct and immediate threat to the Italian troops in our two colonies in East Africa.

The threat is aggravated by the fact that the creation of a neutral zone announced from Addis Ababa with specious reasons merely constitutes a strategic move aimed at making a better arrangement for the mobilization and aggressive preparation of the Abyssinian troops. The continued and bloody aggression—documented by the Italian memorandum [7]—to which Italy has been subjected in the last 10 years is thus about to enter into a phase of greater proportions and wider scope entailing serious and immediate dangers which are evident and against which elementary reasons of security demand reaction without delay.

The High Command in Eritrea has therefore received orders to act accordingly.

The Italian troops are occupying certain advanced positions beyond our lines."

The following statement is published directly beneath the communiqué but not as an integral part thereof: "A telegram from the Negus to the League of Nations speaks of the bombardment on the part of Italian aeroplanes of inhabited centers with women and children among the victims. This is an old and abused expedient the tendentiousness and bad faith of which are evident."

I call the foregoing to your attention for possible consideration in connection with the joint resolution of the 74th Congress on the subject of neutrality.

LONG

[7] Submitted to the League Council, September 4, 1935.

765.84/1552 : Telegram

The Ambassador in Italy (Long) to the Secretary of State

ROME, October 4, 1935—11 a.m.
[Received October 4—9 : 30 a.m.]

647. Your circular October 3, 4 p.m. My number 644, October 3, 4 p.m., contained communiqué which was an official admission on the part of the Italian Government that it had assumed the offensive and penetrated Abyssinian territory.

The Press Bureau here admits to the Associated Press that the fortress at Adowa was bombed.

The Italian press (specifically the paper *Popolo Di Roma* of today's date) states that Mussolini's son-in-law Ciano, a captain of aviation, and his two sons, lieutenants of aviation, participated in the advance: "Among the aviators who took part in this first day of campaign the planes of the 'disperata' squadron flying under the direction of Captain Galeazzo Ciano and Second Lieutenants Vittorio and Bruno Mussolini, particularly distinguished themselves by their resistance during the long hours of difficult piloting and the invaluable signals transmitted to the columns on the march."

Also General de Bono, High Commissioner in the East African Colonies, issued a proclamation of which the following is an extract: "You, peasants and merchants, attend tranquilly to your fields and trades and give no heed to the false rumors our enemies seek to spread against us. And you, priests and monks, perform your ritual prayers so that with the help of God the war which we are waging for the triumph of justice may soon be victorious. Woe to him who spreads false news and disturbs the public order. I shall be inexorable."

However, the press here denies the statement of the Negus to the League that Italians have bombarded Abyssinian towns, killing women and children, or that a Red Cross hospital was struck. They affirm that this is merely propaganda of the type invented by England during the World War as regards German atrocities. The only true fact, they add, is that there was a Red Cross hospital in the vicinity of the frontier which in itself shows the aggressive intentions of the Abyssinians.

If this seems to your mind sufficient to serve as a basis for a proclamation that a state of war exists, I sincerely trust the proclamation will be made before the League Council can take action. To issue it simultaneously with or shortly after the League organs announcement would lead to the presumption of collaboration with and coordination under the leadership of England. And we must not forget that a war between Italy and England is quite possible under the circumstances which exist or that it would be difficult in that eventuality to

reconcile our position as neutrals in that conflict with a position taken previously in which we had committed ourselves.

In that connection, efforts of England to enlist the support of the American Government under the leadership of England is frequently mentioned in the European press (see my 642, October 3, 7 p.m. [*noon*][8]). Further, the morning press has the following comment.

"It is said for a fact that the British Government is working, naturally on its own initiative, in Washington, Berlin and Tokyo to insure the participation of the United States, Germany and Japan in economic sanctions to be applied against Italy. The outcome of these steps is not known but particularly the concrete undertakings which might result from them cannot be imagined."

Also a despatch from Tokyo reports the Rengo statement that Japan will remain neutral and that since Japan is not a member of the League it is under no obligations to participate in economic sanctions.

LONG

765.84/1553 : Telegram

The Ambassador in the United Kingdom (Bingham) to the Secretary of State

[Extract]

LONDON, October 4, 1935—noon.
[Received October 4—8:50 a.m.]

492. All press this morning report military operations in Abyssinia noting Italian claims of "preventative police action" and no formal declaration of war.

I have already asked the Foreign Office whether in the view of His Majesty's Government a state of war exists between Italy and Abyssinia and am awaiting reply.

.

BINGHAM

765.84/1624a : Telegram

The Secretary of State to the Minister in Switzerland (Wilson)

WASHINGTON, October 4, 1935—3 p.m.

185. Would you telegraph whether in your opinion there is any probability of the League Council tomorrow deciding that a state of war exists in Ethiopia. If you consider it advisable, I would be glad to have you telephone the Department at any time before noon, Washington Time, tomorrow, Saturday, October 5, that you might be able to give us the latest developments.

HULL

[8] Not printed.

765.84/1556 : Telegram

The Ambassador in the United Kingdom (Bingham) to the Secretary of State

LONDON, October 4, 1935—4 p.m.
[Received October 4—11:10 a.m.]

493. My 492, October 4, noon. His Majesty's Government do not consider a state of war exists. They have promised to keep in touch with me on this question.

BINGHAM

765.84/1556 : Telegram

The Secretary of State to the Ambassador in the United Kingdom (Bingham)

WASHINGTON, October 4, 1935—6 p.m.

285. Your 493, October 4, 4 p.m. Please ascertain immediately if possible the basis for the British opinion that a state of war does not exist. In particular, is this attitude based upon legal considerations that relate to belligerent rights, or is it only the result of practical considerations pending the Council meeting. Any additional information along these lines will be much appreciated.

HULL

765.84/1574 : Telegram

President Roosevelt to the Secretary of State

U.S.S. "HOUSTON", October 4, 1935.
[Received October 4—4:25 p.m.]

If when you receive this you have any official confirmation of Italian invasion and of battles and casualties well within Ethiopian border it seems to me that this constitutes war within the intent of the statute and should be proclaimed as such by me. This holds true even if there is no formal declaration.

In such case and we issue the several proclamations, there should be a brief statement to the public to accompany them. You might send me a draft of statement.

Also please give consideration to following: if neutrality proclamations are issued, first giving publicity to names of all American citizens sailing from United States on Italian flag ships, second making public the cargo manifests of all American goods destined for either belligerent including those goods all raw materials which do not fall into munitions classification please ask acting Secretary Treasury to cover each day through banks any possible credit extension to either belligerent for purchases in United States or otherwise. Let me have your views.

THE PRESIDENT

765.84/1602 : Telegram

The Chargé in Ethiopia (Engert) to the Secretary of State

ADDIS ABABA, October 5, 1935—9 a.m.
[Received 5:30 p.m.]

111. Your 63, October 3, 6 p.m.[9] Technically no state of war exists as yet. Ethiopian Government has not handed the Italian Minister his passport nor has the latter asked for them.

The Department may depend on my watching developments closely.

ENGERT

765.84/1575 : Telegram

The Ambassador in the United Kingdom (Bingham) to the Secretary of State

LONDON, October 5, 1935—noon.
[Received October 5—7:53 a.m.]

498. In reply to my question based on the Department's 285, October 4, 6 p.m., Foreign Office stated that the attitude of British Government reported in my 493, October 4, 9 [4?] p.m., "is based upon legal considerations since no declaration of war exists". Foreign Office added, however, that the anticipated action of the Council over this week-end or Monday would presumably alter the present status. Since this is all information obtainable today I will again raise the question on Monday.

BINGHAM

765.84/1583½

Memorandum by the Chief of the Division of Western European Affairs (Dunn)

[WASHINGTON,] October 5, 1935.

This afternoon I telephoned to Ray Atherton[10] at London to obtain some information with regard to steps now being contemplated with regard to the Italo-Ethiopian situation. I explained to him that within probably two or three days, or even at almost any moment, it might become imperative for the President to issue an embargo against shipments of arms to Italy and Ethiopia required under the neutrality resolution. I said that the Secretary was considering advising the President to make a statement at the same time the embargo proclamation was issued and that with particular reference to that statement the Secretary desired to have (1) Mr. Atherton's views as to its effect upon the British Government, and (2) that not only would the Secre-

[9] See footnote 6a, p. 790.
[10] Counselor of Embassy in the United Kingdom.

tary like his views, but he would like to know what will be the reaction of Sir Samuel Hoare to such a statement. I told Mr. Atherton that we wanted it distinctly understood that we were not asking the advice of the British Government with regard to the issuing of such a statement, nor was there to be any question of giving the impression that we were presenting it to them for their recommendations with regard to it. We simply wanted to know, for our own information, what in general were their impressions with regard to such a statement.

Mr. Atherton said it might not be possible to see Sir Samuel Hoare until Monday. I thereupon suggested that he communicate by telephone with the Foreign Secretary as soon as possible and give us the results of his conversation. Mr. Atherton said that he would do so. I then read the statement to Mr. Atherton, as follows:

"In view of the situation which has unhappily developed between Ethiopia and Italy, it has become my duty under the provisions of the Joint Resolution of Congress approved August 31, 1935, to issue, and I am today issuing my proclamation making effective an embargo on the exportation from this country to Ethiopia and Italy of arms, ammunition and implements of war. Notwithstanding the hope we entertained that war would be avoided, and the exertion of our influence in that direction, we are now compelled to recognize that the simple and indisputable fact that Ethiopian and Italian armed forces are engaged in combat, thus creating a state of war within the intent and meaning of the Joint Resolution.

"In order that our country may by no possibility be involved, it is the plain duty of our citizens to refrain from placing themselves in positions where, were conditions peaceful, they would be entitled to seek the protection of this Government. Accordingly, in these specific circumstances, I desire it to be understood that any of our people who voluntarily engage in transactions of any character with either of the belligerents do so at their own risk."

Acting upon a suggestion of Judge Moore,[11] I asked Atherton whether the British Government expected that action at Geneva would result in sanctions against Italy. Mr. Atherton said that from what he had learned in conversation with the Foreign Office today, Italy would be adjudged the aggressor very likely today or on Monday; that it was the opinion of the British Government that sanctions might not be agreed to immediately at Geneva, but that eventually there would be sanctions. The Secretary then desired to know what was the attitude of the British Government as to whether a state of war now existed or not. Mr. Atherton said that the British Government were not very clear on the subject as they had not come to a conclusion of the juridical study now being made in that respect.

JAMES CLEMENT DUNN

[11] R. Walton Moore, Assistant Secretary of State.

765.84/1589½

Memorandum by the Assistant to the Secretary of State (McBride)

[WASHINGTON,] October 5, 1935.

Mr. Ray Atherton called at 4:50 p.m. and gave the following message:

"I have been talking to the Foreign Secretary with reference to the message which Mr. Dunn gave me a little while ago. Sir Samuel Hoare is unable to say now what may be the results, if any, of Geneva's decision, arrived at today, to recommend to both the Italians and Abyssinians that they stop fighting—but in any case the British Government has no objection to whenever the United States Government decides to issue its proclamation prohibiting the exportation of implements of war under the Neutrality Resolution. The British Government is anxious to bring the matter to a head as quickly as possible.

"However, Sir Samuel Hoare doubts whether before Monday evening [12] at the earliest Geneva can even consider recommendations looking to the naming of an aggressor and it is not until after this that the question of sanctions arises. The machinery is cumbersome and it may be the middle of next week, or later in the week, at the very earliest, before Geneva could agree on a policy of sanctions, however limited.

"Sir Samuel Hoare personally gives as his opinion that, to be as effective as possible, he hopes the President's proclamation may be as wide and inclusive as possible and the sooner issued in this case the better—particularly from the point of view of effectiveness in limiting the duration of the war.

"As to a further proclamation that Mr. Dunn dictated textually to Mr. Atherton, Sir Samuel Hoare says he considers it a good warning to Americans to keep off the course—in other words, he has no objection to it."

Mr. Atherton then went on to stress the fact that all of the above was a personal reply to his personal question except that part of the first paragraph which states that the British Government has no objection to the issuance of the munitions proclamation at any time.

HARRY A. MCBRIDE

711.00111 Armament Control/65 : Telegram

President Roosevelt to the Secretary of State

[U.S.S. "HOUSTON",] October 5, 1935.
[Received October 5—4:45 p.m.]

The facts reported appear to establish the commencement of hostilities and the fact of actual war.

I agree with Ambassador Long that our neutrality declaration should be issued before action by the League.

[12] October 7.

If you have not already taken action you are hereby authorized to do so.

[File copy not signed.]

711.00111 Armament Control/65 : Telegram

The Secretary of State to President Roosevelt

WASHINGTON, October 5, 1935—6:20 p.m.

Your message authorizing immediate action received. I am preparing to act tonight but awaiting any possible further comment or suggestions in reply to my long 3 section message of this afternoon.[13] If no message received from you, will act tonight.

HULL

711.00111 Armament Control/63e : Telegram

The Secretary of State to President Roosevelt

WASHINGTON, October 5, 1935.

11. The evidence of an outbreak of war in Ethiopia is now, in my opinion, sufficient to warrant your proceeding to proclaim the embargo on shipments of arms, ammunition and implements of war under the Senate Joint Resolution. Everything is in readiness here. I feel that I must inform you, however, that in a conversation with Hugh Wilson in Geneva over the telephone today he stated that discussions were proceeding in the Council of the League and that it is the opinion that they will not reach a decision until Monday afternoon. He thought the delegates would not mention the existence of a state of war and made the following statement: "I do not mean to urge that the matter be unduly delayed with regard to our declaration but the first step with respect to the recognition of the status of these hostilities should not be taken by the United States. It was impossible to get unanimity for this matter of recommendation at the meeting this morning and as the situation becomes deeper and deeper it is increasingly difficult to get unanimity." He further explained that a recognition of a state of war by us before League action on the subject might possibly be used by some nations, members of the League, to base a declaration of neutrality on their own part, thus putting difficulties in the way of collective action, and that our action today would be a blow to the collective system which Geneva is trying to put through. I feel strongly myself that our declaration of an embargo in view of the existing state of hostilities cannot be delayed in the light of present developments beyond next Monday, but I would like to know your

[13] *Infra.*

judgment as to whether in consideration of Wilson's reports and recommendation we might not well delay the embargo declaration until probably not later than Monday afternoon.

At the time of issuing the proclamation I further suggest that a statement along the following lines be issued:

"In view of the situation which has unhappily developed between Ethiopia and Italy, it has become my duty under the provisions of the Joint Resolution of Congress approved August 31, 1935, to issue, and I am today issuing my proclamation making effective an embargo on the exportation from this country to Ethiopia and Italy of arms, ammunition and implements of war. Notwithstanding the hope we entertained that war would be avoided, and the exertion of our influence in that direction, we are now compelled to recognize that the simple and indisputable fact that Ethiopian and Italian armed forces are engaged in combat, thus creating a state of war within the intent and meaning of the Joint Resolution.

In order that our country may by no possibility be involved, it is the plain duty of our citizens to refrain from placing themselves in positions where, were conditions peaceful, they would be entitled to seek the protection of this Government. Accordingly, in these specific circumstances I desire it to be understood that any of our people who voluntarily engage in transactions of any character with either of the belligerents do so at their own risk."

As you will see, this does not for the present include measures so drastic as you suggest in the case of these violating the spirit of the rules of conduct therein contained. In my opinion this statement or announcement goes as far as would be advisable at this time. In the light of further developments you might at a later time wish to take successive steps in the line of, first, an appeal; second, a warning that in the event of acts contrary to your policy of making the utmost effort to prevent our involvement in the war, names and facts might be made public.

Your message of [apparent omission] just received and we will reply further immediately.

Concerning the suggestion in your message just received that the proclamation under Section 6 should be issued,[13a] I call your attention to the fact that the Section requires as a condition precedent to the issuance of your proclamation a finding of certain facts, that is to say, that the maintenance of peace between the United States and foreign nations, or the protection of the lives of citizens of the United States, or the protection of the commercial interests of the United States and its citizens, or the security of the United States requires that American citizens should refrain from traveling as passengers on the vessels of any belligerent nation. We have some difficulty in finding that any one of these situations exists. Therefore, the issuance of the proclamation might subject you to criticism on the one hand and might on the other hand be regarded by Italy as a gratuitous

[13a] See *infra*.

affront in the nature of sanctions. The purpose underlying Section 6 was to keep us out of war by avoiding the dangers that would be involved in trying to protect American citizens who might insist upon traveling on belligerent vessels in the face of one or more of the dangers specified in the Section. I shall, of course, issue the proclamation if you still think this should be done.

Will await further instructions from you on this entire message.

HULL

711.00111 Armament Control/64 : Telegram

President Roosevelt to the Secretary of State

[U. S. S. "HOUSTON",] October 5, 1935.
[Received 3 : 20 p.m.]

Approve statement to accompany proclamation covering Section 1 of Neutrality Act. I am very strongly of belief that other proclamation relating to passenger travel under Section 6 should also be issued. The fact that Ethiopia has no ships is not controlling, because that argument might apply to munition shipments as well. The intent of the Act is to prevent aid to either belligerent and American passenger travel on Italian ships gives aid not only financially but also by making access to Italy more easy for Americans seeking commercial advantages. I strongly urge that the record of strict adherence to spirit of the Act be maintained.

[File copy not signed.]

711 00111 Ship Travel/6 : Telegram

President Roosevelt to the Secretary of State

[U. S. S. "HOUSTON",] October 5, 1935—9 : 45 p.m.
[Received October 6—3 : 20 a.m.]

Your black 46 containing Section 3 [14] just received. If the findings of certain facts be read as a whole as I think they should be it seems to me to be clear that Americans sailing on belligerent ships may jeopardize peace or endanger lives or affect commercial interests or security of the United States, in other words if in this specific case Americans continue to patronize Italian ships there may very easily occur some untoward episode either to or by an individual American or through some commercial transaction which violates the spirit of the arms or munitions proclamation. In other words if Americans travel on Italian ships there is that much more danger

[14] See last two paragraphs of telegram No. 11, October 5, from the Secretary of State to President Roosevelt, p. 798.

of some episode, whereas if the proclamation under Section 6 is issued Americans will do that traveling only at their own risk. Italy can find no affront in this as it carries out what is believed to be the intent and the spirit of the law. The clinching argument is that if Ethiopia had a single submarine in the Mediterranean we would not hesitate a moment. But submarines are not the sole causes of danger to American lives and interests.

F[RANKLIN] D. R[OOSEVELT]

711.00111 Ship Travel/6b : Telegram

The Secretary of State to President Roosevelt

WASHINGTON, October 6, 1935—11 : 10 a.m.

Your proclamation,[15] carrying out Section 6 of the Neutrality Act,[16] dated October 5 is being given to the press as having been issued concurrently with your arms embargo proclamation.[17] The arms embargo proclamation and your statement[18] were published in this morning's newspapers but due to the midnight hour of release Section 6 proclamation not being then quite ready was not printed this morning but will be in the press Monday morning.

HULL

711.00111 Armament Control/67c : Telegram

The Secretary of State to the Ambassador in Italy (Long)

WASHINGTON, October 6, 1935—noon.

161. Suggest you take any precautionary measures you may consider appropriate for the protection of American citizens in case of reaction by Italians against President's Proclamation of Arms Embargo and travel on belligerent ships.

HULL

711.00111 Armament Control/155

Memorandum by the Chief of the Office of Arms and Munitions Control (Green)

[WASHINGTON,] October 7, 1935.

Mr. Jules Henry, Counselor of the French Embassy, called on Mr. Dunn this morning. Mr. Green of CA[19] was present.

[15] No. 2142; Department of State, *Press Releases*, October 5, 1935, p. 256; 49 Stat. 3476.

[16] Approved August 31, 1935; 49 Stat. 1084.

[17] No. 2141; Department of State, *Press Releases*, October 5, 1935, p. 251; 49 Stat. 3474.

[18] Department of State, *Press Releases*, October 5, 1935, p. 255.

[19] Joseph C. Green, formerly of the Division of Western European Affairs, became Chief of the Office of Arms and Munitions Control on September 19, 1935.

Mr. Henry requested information on two points: (1) Whether the President could legally extend to include raw materials the list of arms, ammunition, and implements of war enumerated in his Proclamation declaring an embargo on the exportation of such articles to Ethiopia and Italy without awaiting a further Act of Congress; and (2) Whether the policy expressed in the two Proclamations of the President relating to the war between Ethiopia and Italy and in the President's statement made at the time these Proclamations were issued, was to be considered as the definite policy of this Government which would be applied to other belligerents should other nations become involved in the present war.

In answer to the first question, Mr. Green stated that the phrase "arms, ammunition and implements of war" had a fairly definite ascertainable meaning and that although the President might at any time proclaim additions to the list already proclaimed, it would seem that an extension of the list to include raw materials would involve a stretching of the term "arms, ammunition and implements of war" beyond its recognized meaning. In this connection, Mr. Green pointed out that the Joint Resolution used this phrase exclusively and avoided the phrase "munitions of war" which had a general meaning and which could easily be understood to include various raw materials.

In answer to the second question, Mr. Green stated that he was not in a position to forecast what the policy of this Government might be in hypothetical circumstances. He invited Mr. Henry's attention to the words "in these specific circumstances" in the President's statement.

J[OSEPH] C. G[REEN]

711.00111 Ship Travel/19

Memorandum by the Chief of the Office of Arms and Munitions Control (Green)

[WASHINGTON,] October 9, 1935.

Mr. Roger Gaucheron, First Secretary of the French Embassy, called me by telephone this morning. He expressed anxiety at reports which had reached the Embassy that ships scheduled to depart for Djibouti were being detained at American ports.

I told Mr. Gaucheron that this was not the case and explained that the probable basis of the report was an instruction sent by the Treasury to the collectors of customs directing them to detain, pending examination and instructions, any shipments of arms, ammunition, and implements of war consigned to Djibouti. I explained that the only purpose of this instruction was to ensure the enforcement of the President's Proclamation prohibiting the exportation of arms to Ethiopia.

Mr. Gaucheron said that the instruction to the collectors of customs was an entirely reasonable precaution and he thanked me for explaining the facts of the case. He said that he was telegraphing his Foreign Office as he feared that the reports that ships intending to sail for Djibouti were being detained, might cause complications.

JOSEPH C. GREEN

711.00111 Armament Control/141

The Chief of Naval Operations (Standley) to the Secretary of State

(SC)A 14–6 WASHINGTON, October 9, 1935.

SIR: The following dispatch, received this date from the Naval Attaché of the United States Embassy in Rome, is quoted for your information:

"Request the following information relative to President's Proclamation: May visit and search of American merchant vessels be carried on on the high seas by either belligerent? As a state of war has been proclaimed may rights under laws of war be exercised?"

It is requested that this department be advised as to the nature of the reply to be made to this dispatch.

W. H. STANDLEY

765.84/2551

Statement for the Press by the Secretary of State

[WASHINGTON,] October 10, 1935.

At the press conference at the Department of State today, in answer to the following question put to him by a correspondent: "Mr. Secretary, would you care to elaborate on what the President said about American interests trading with belligerents at their own risk?", Secretary Hull made the following remarks:

"As I said to you gentlemen heretofore, the language of the President's statement has thoroughly well-defined meaning and every person should be able to grasp its meaning and its implications. Technically, of course, there is no legal prohibition—apart from the proclamation governing the export of arms,—against our people entering into transactions with the belligerents or either of them. The warning given by the President in his proclamation concerning travel on belligerent ships and his general warning that during the war any of our people who voluntarily engage in transactions of any character with either of the belligerents do so at their own risk were based upon the policy and purpose of keeping this country out of war,—keeping it from being drawn into war. It certainly was not intended to encourage transactions with the belligerents.

"Our people might well realize that the universal state of business uncertainty and suspense on account of the war is seriously handicap-

ping business between all countries, and that the sooner the war is terminated the sooner the restoration and stabilization of business in all parts of the world, which is infinitely more important than trade with the belligerents, will be brought about.

"This speedy restoration of more full and stable trade conditions and relationships among the nations is by far the most profitable objective for our people to visualize, in contrast with such risky and temporary trade as they might maintain with belligerent nations.

"I repeat that our objective is to keep this country out of war."

711.00111 Armament Control/103 : Telegram

The Ambassador in Italy (Long) to the Secretary of State

ROME, October 10, 1935—4 p.m.
[Received October 10—3:40 p.m.]

688. The reaction to the Neutrality Proclamation has been quite mild, particularly so in view of the fact that Italy is the chief sufferer potentially from both the embargo on arms and especially in warning of Americans off belligerent ships. Such press comment as has appeared has been sent you. There was no mention of it in the morning papers and only a mild reference in this evening's *Tribuna*.

Suvich [20] yesterday mentioned the proclamation warning citizens off belligerent ships and asked if that too was required by the Congressional resolution. I replied that it was prescribed if in the discretion of the President travel might be dangerous to American citizens and that with such naval and military activities as were now on and around the Mediterranean that a sufficient element of potential danger existed to provoke the declaration. I added that it was America's desire to keep out of the present conflict and out of any other which might develop out of or in connection with it and that the proclamation of the President relieved the American Government of responsibility for the welfare of any of its citizens who might choose to travel on belligerent ships and would at the same time prevent the necessity of the United States becoming involved on their account if they came to harm; that it was a peace measure.

Repeated to Geneva.

LONG

711.00111 Armament Control/141

The Secretary of State to the Secretary of the Navy (Swanson)

WASHINGTON, October 11, 1935.

MY DEAR MR. SECRETARY: I am in receipt of Admiral Standley's letter—(SC)A14-6—of October 9, 1935, requesting that I indicate

[20] Fulvio Suvich, Italian Under Secretary of State for Foreign Affairs.

the nature of the reply which should be made to a telegram which the Navy Department has received from the Naval Attaché in Rome, in regard to the exercise of belligerent rights.

In reply, I suggest that the Naval Attaché be informed that as a state of war exists between Ethiopia and Italy, a fact which the President has recognized in his Proclamations in regard to the shipment of arms, ammunition and implements of war to those countries and in regard to travel by American citizens on vessels of those countries, each of them is entitled to belligerent rights. In existing circumstances, however, it would not appear that any case will arise in which those rights will be exercised in such a manner as to raise a practical question insofar as this Government is concerned.

Sincerely yours, CORDELL HULL

711 00111 Armament Control/168

Memorandum by the Chief of the Division of Near Eastern Affairs (Murray)[21]

[WASHINGTON,] October 15, 1935.

In Ambassador Long's telegram No. 714, October 15, 11 a.m.,[22] he recounts the following statement, made by him to the editor of the *Tribuna:*

"I explained the position of the United States as a neutral, that the warning off ships was a neutral stand intended to relieve the American Government of any opportunity to become involved in a European conflict, that its one sided anti-Italian effectiveness was an incident of its application due to the fact that Ethiopia had no ships; and that in case the conflict should be enlarged the law as it now stands would enforce neutrality upon the United States in its relations with other belligerents."

In his telegram No. 686, October 9, 7 p. m.,[23] Ambassador Long has the following to say regarding the possible involvement of Great Britain in the present dispute:

"I desire to submit that while the action of Italy in the present conflict is in violation of a covenant to which the American Government is a party (the Kellogg Pact) a conflict between Italy and England would be a violation of the same treaty by both parties. Whereas the American Government would have enjoined upon it the policy of neutrality resolved by the Congress a prompt announcement of its position such as was done at the beginning of the Italo-Abyssinian war would help to relieve us of the charge of partisanship now generally circulated and which would be given substance and possibly construed as an unfriendly attitude if we withheld or delayed the announcement."

[21] Addressed to the Secretary of State and the Under Secretary.
[22] Not printed.
[23] *Ante*, p. 667.

The first statement quoted above would, taken by itself, not be a matter for comment. Taken, however, together with the expression of Ambassador Long's views as set forth in the second quotation I think there may be some concern over the possibility that he may be endeavoring, in his conversations with the Italians, to interpret in advance the action which this Government will take if and when Great Britain becomes involved in the present Italo-Ethiopian war.

It seems to me that it is a very bold assumption indeed to state that "a conflict between Italy and England would be a violation of the same treaty (Kellogg Pact) by both parties." Ambassador Long apparently assumes that even if Italy declared war on Great Britain, or attacked her without such a declaration, Great Britain would be guilty of violating the Kellogg Pact. Furthermore, under the provisions of the Neutrality Act, while the President would have the authority in such an eventuality to declare an embargo on the export of arms, ammunition and implements of war to Great Britain, his authority is permissive, and not mandatory as in the case of the original belligerents, Italy and Ethiopia.

Such being the case, it seems to me that it would be very unfortunate if the Italians were allowed to take it as a foregone conclusion at this time that if Great Britain becomes involved in war with Italy as a result of a united effort to impose sanctions, our attitude and action with regard to Great Britain would be similar in all respects to our present policy regarding Italy and Ethiopia.

Do you not think it would be advisable to clarify our position to the American Ambassador and suggest that he refrain from endeavoring at this time to forecast any action that we may think it necessary to take in the future?

WALLACE MURRAY

711.00111 Armament Control/168 : Telegram

The Secretary of State to the Ambassador in Italy (Long)

WASHINGTON, October 16, 1935—4 p.m.

174. Your No. 714, October 15, 11 a.m.[24] For your information and guidance in any further conversations you may have in regard to our neutrality policy:

Section 1 of the Neutrality Act reads in part as follows:

"That upon the outbreak or during the progress of war between, or among, two or more foreign states, the President shall proclaim such fact, and it shall thereafter be unlawful to export arms, ammunition, or implements of war from any place in the United States, or possessions of the United States, to any port of such belligerent states, or to any neutral port for transshipment to, or for the use of, a belligerent country.

[24] Not printed, but for reference to substance of telegram, see *supra*.

"The President may, from time to time, by proclamation, extend such embargo upon the export of arms, ammunition, or implements of war to other states as and when they may become involved in such war."

Your attention is invited to the use of the word "shall" in the first paragraph quoted above and to the use of the word "may" in the second paragraph.

Section 6 reads in part as follows:

"Whenever, during any war in which the United States is neutral, the President shall find that the maintenance of peace between the United States and foreign nations, or the protection of the lives of citizens of the United States, or the protection of the commercial interests of the United States and its citizens, or the security of the United States requires that the American citizens should refrain from traveling as passengers on the vessels of any belligerent nation, he shall so proclaim, and thereafter no citizen of the United States shall travel on any vessel of any belligerent nation except at his own risk. . . ."

Your attention is invited to the fact that the authority conferred upon the President by this language is such as to give him wide discretion in the use of the power conferred.

The statement of the President made at the time he issued his Proclamations, pursuant to the Neutrality Act, reads in part as follows:

"In these specific circumstances I desire it to be understood that any of our people who voluntarily engage in transactions of any character with either of the belligerents do so at their own risk."

I invite your particular attention to the words "in these specific circumstances".

I have consistently avoided any statement as to the eventual application of our neutrality policy in any circumstances which have not yet arisen.

In the exceedingly grave and delicate circumstances and conditions that are changing from day to day, this Government and its spokesmen cannot be too guarded in their statements and, as a general rule, should not interpret or undertake to announce our possible future attitude and course.

HULL

765.84/2176

Memorandum by the Under Secretary of State (Phillips) of a Conversation With the Italian Ambassador (Rosso)

[WASHINGTON,] October 16, 1935.

The Italian Ambassador informed me this afternoon that, on his way through New York yesterday, he had learned that the Federal

Reserve Bank had recently circularized the more important banks in New York, asking for data concerning credit and banking operations made by them with Italian banks and Italian concerns; he had also gathered that this action had been taken under instructions from the United States Treasury; whatever had been the intention or the reason for this action the definite impression had been created, said the Ambassador, that the United States Government was engaged in an effort to curtail all such ordinary commercial transactions with Italy; he would like to know what the meaning of it was because, in view of the impression already created, it would seem to him that we had gone beyond the stage of neutrality.

I replied that, while I had no accurate knowledge of any step which the Treasury had taken in this regard, I was confident that any inquiry which it made through the Federal Reserve Bank of New York applied to both belligerents rather than to Italy alone; it was natural that, in the circumstances, the Treasury might wish to obtain such information, but that the Ambassador was not justified in assuming that the gathering of information forecast the application of anything in the nature of sanctions, which was, I supposed, what he feared. He admitted that this was so and said that he would be grateful if I could advise him that the inquiry concerned both belligerents so that he might keep his Government properly advised.

The Ambassador then gave me his view of the attitude of this country towards the Italo-Ethiopian controversy; he realized perfectly our position of neutrality, our desire not to become involved in any way, and then referred to the neutrality legislation, which he said did not operate fairly on both parties; he, himself, had wondered at the efforts which the Government was making to discourage trade with the "belligerents"; actually, of course, this applied only to Italian trade, and could only be regarded as having been directed against Italy; and the warning against traveling on Italian vessels was merely another indication of the attitude of mind of this Government with regard to Italy. Certainly the proclamation could have no bearing upon Ethiopia. The Ambassador said that the impression was gaining ground rapidly throughout Europe that the United States was responding to the appeals of the League rather than maintaining a position of neutrality; while, of course, he realized that the League was not dictating to this country, nevertheless, this Government appeared to be very responsive to the situation developing in Geneva; while at first the efforts of the League members had seemed to be a genuine desire to preserve peace, now all the world knew that it was the British Government which was forcing their views upon the League; the British Government was dominating the situation and was even attempting to force certain somewhat reluctant countries to vote in the League in accordance with the wishes of Great Britain.

He, the Ambassador, assumed that the British Government was in lose touch with us with regard to its program. I at once denied this nd told him very definitely that we had not been approached by any Government with regard to League activities or the position which he League might take in carrying out its policy of sanctions. The League's efforts, the Ambassador insisted, were not genuine League fforts, but represented substantially the British policy; it was becoming evident more and more that the British Government were letermined to force Italy to a position where her "back was against he wall"; he himself could not understand the reason or the occasion for this hard British policy. Certainly Mussolini had on several occasions announced publicly and officially that Italy had no intention whatsoever of disturbing any British interests; moreover, it had been nade plain that the Italian expedition was directly, solely and exclusively against Ethiopia, and yet far from being a slackening in British pressure, there was noticeable each day an increase of British pressure against Italy. The Ambassador said that in spite of such disquieting reports he had been hopeful and was still hopeful that some conciliatory steps would be taken to avoid the spread of the conflict, but he had to admit that yesterday and today the reports which he had received were of a very serious nature and were most disquieting.

I said that the Ambassador was right in his estimate of the determination of this country to keep out of the conflict; I reminded him that our study of neutrality had begun about a year and a half ago, before there was any indication of trouble between Italy and Ethiopia; as a matter of fact, it had been stimulated by the fear that there was to be trouble again with Germany; our studies had been transferred to Congress, where, as he knew, certain legislation had been enacted just before the end of the session; he had, of course, an opportunity to note the intense interest throughout the country in our position of neutrality while such matters were being discussed by the Executive and in Congress; students all over the country were deeply interested in the subject, and there was scarcely a newspaper which had not discussed it. The entire stage for neutrality, therefore, was set before the Italian-Ethiopian conflict, but when that broke out, it was natural that the legislation should apply immediately to it; if our position of neutrality acted somewhat unevenly in certain aspects between the two belligerents, that was not our fault but the fault of circumstances. I said that in my opinion the driving force which had led to our almost fanatic desire to keep aloof from European conflicts came from the realization that our contribution to the World War had had no lasting accomplishments and that our sacrifices, therefore, had not made the world a better place to live in; this feeling went very deep, not only in the generation which took part in the

War, but in the younger generation which was just beginning to have a voice in such matters.

I referred to the Ambassador's opening remarks with regard to the Federal Reserve Bank in New York and said that I would get in touch with the Treasury and ascertain precisely what action had been taken, and would be in a position shortly to give him further particulars.

As he was leaving the Ambassador said that he had kept away from the Department in order to avoid unnecessary publicity, but that he did not wish us to get the impression that he was in the slightest degree avoiding the Department for any other reasons. He asked me to say to the Secretary that he had called on me this afternoon rather than upon the Secretary merely to avoid any possible false construction which the press might make upon his visit. Should the Secretary have anything to say to him or desire to see him, he would, of course, be glad to respond at once.

WILLIAM PHILLIPS

765.84/2177

Memorandum by the Under Secretary of State (Phillips)

[WASHINGTON,] October 17, 1935.

I called upon Acting Secretary Coolidge, of the Treasury, and gave him the substance of the memorandum [25] left with me by the Italian Ambassador yesterday on the subject of the circular to the important New York banks recently sent out by the Federal Reserve Bank in New York. Mr. Coolidge said that weekly reports are made in connection with all countries; these daily reports in regard to Italy were purely for information and were useful in following any possible attempt to ship arms and ammunition out of the country contrary to the provisions of the Act of Congress, in other words, to keep track of barred exports, which the Treasury felt it was their duty to do; the weekly reports had disclosed the fact that there were no credit or banking operations being considered in connection with Ethiopia; Ethiopia had no credit here and only a small account in one bank; therefore it had not been deemed necessary to require daily reports of Ethiopian operations. However, in view of the situation as represented by the Ambassador, the Treasury will hereafter ask that reports in connection with Italian operations be extended to include Ethiopia.

WILLIAM PHILLIPS

Oct. 17th I have conveyed the above information to the Ambassador orally. W. P.

[25] Not printed; see first paragraph of the memorandum by the Under Secretary of State, October 16, *supra*.

711.00111 Armament Control/215 : Telegram

The Chargé in Ethiopia (Engert) to the Secretary of State

ADDIS ABABA, October 18, 1935—11 a.m.
[Received 12 : 25 p.m.]

135. Minister of Foreign Affairs as president of the Ethiopian Red Cross requests that permission be granted for the exportation of several American ambulance planes intended for Ethiopia. He states that the American authorities have refused such permission but he hopes that in view of lack of roads in that country decision will be reconsidered. Early reply will be appreciated.

ENGERT

711.00111 Armament Control/215 : Telegram

The Secretary of State to the Chargé in Ethiopia (Engert)

WASHINGTON, October 18, 1935—6 p.m.

78. Your No. 135, October 18, 11 a.m. Section 1 of the Neutrality Act, pursuant to which the President issued his Proclamation prohibiting the exportation of arms to Italy and Ethiopia, is so worded that the President has no authority to permit exceptions. In these circumstances, the Department has been obliged to inform the Ethiopian Consul General and other interested persons that the exportation of the airplanes intended for the use of the Ethiopian Red Cross would be definitely contrary to law.

HULL

711.00111 Armament Control/293

Memorandum by the Chief of the Division of Near Eastern Affairs (Murray)

[WASHINGTON,] October 22, 1935.

I called Mr. John H. Shaw, Honorary Ethiopian Consul General in New York City, by long distance telephone this afternoon in connection with Mr. Green's attached memorandum of October 22, 1935,[26] regarding the reported endeavors of Mr. Shaw to arrange for the shipment through Halifax of two airplanes which have been donated for use by the Ethiopian Red Cross.

I told Mr. Shaw that information had come to us that he was endeavoring to arrange the shipment of these two planes to Ethiopia in the above-mentioned manner and that I wanted to point out to him that under the provisions of the Neutrality Resolution indirect as well as direct shipments of airplanes or airplane parts were prohibited.

[26] Not printed.

I said I thought it well to bring this matter promptly to his attention in order to avoid complications that were certain to ensue if any endeavor were made to evade the provisions of the Neutrality Resolution.

Mr. Shaw thanked me for this information and told me quite frankly of the steps which he had taken in this matter. He said that he had discussed the question with Mr. Cole, the Canadian Trade Commissioner in New York, and at the latter's suggestion had written to the Canadian authorities requesting information (1) as to whether there would be any legal objection to the shipment from Canada of the two American airplanes donated to the Ethiopian Red Cross and (2) whether under Canadian law airplanes could be purchased in that country for direct shipment to Ethiopia.

Mr. Shaw said he has been informed by the Canadian authorities, in reply to his first inquiry, that such a shipment would be regarded as a violation of the American Neutrality Resolution and that the Canadian Government could not approve such action; in reply to the second inquiry, the Canadian authorities informed Mr. Shaw that no objection could be raised to the purchase of airplanes in Canada and their shipment to Ethiopia for any purpose whatsoever.

In conclusion Mr. Shaw said he wished to assure me that he would do nothing in the performance of his duties as Ethiopian representative in this country that would cause embarrassment either to the United States or to Ethiopia. He at the same time reiterated his great disappointment over the prohibition on the export of the two planes in question. He said they were second-hand planes that could not possibly be used for combat and were sorely needed in Ethiopia at this moment to take care of the sick and the wounded.

WALLACE MURRAY

765.84/2555

Statement to the Press by President Roosevelt

[WASHINGTON,] October 30, 1935.

In dealing with the conflict between Ethiopia and Italy, I have carried into effect the will and intent of the Neutrality Resolution recently enacted by Congress. We have prohibited all shipments of arms, ammunition, and implements of war to the belligerent governments. By my public statement of October fifth, which was emphasized by the Secretary of State on October tenth, we have warned American citizens against transactions of any character with either of the belligerent nations except at their own risk.

This Government is determined not to become involved in the controversy and is anxious for the restoration and maintenance of peace.

However, in the course of war, tempting trade opportunities may be offered to our people to supply materials which would prolong the war.

I do not believe that the American people will wish for abnormally increased profits that temporarily might be secured by greatly extending our trade in such materials; nor would they wish the struggles on the battlefield to be prolonged because of profits accruing to a comparatively small number of American citizens.

Accordingly, the American Government is keeping informed as to all shipments consigned for export to both belligerents.

765.84/2467

Statement for the Press by the Secretary of State

[WASHINGTON,] October 30, 1935.

A member of the press having made inquiry as to whether the United States Government is keeping in touch with exports to the belligerent countries, the Secretary of State today said:

"We have been and are each day giving the most diligent and earnest attention to this and other phases of our situation as it relates to the Ethiopian-Italian controversy. At this stage I reiterate and call special attention to the definite implications and the effect of the policy of this Government to discourage dealings with the two belligerent nations as set forth in the President's public statement of October 5 and my statement of October 10 warning our people not to trade with the belligerents except at their own risk. The policy of the government as thus defined rests primarily upon the recent neutrality act designed to keep the nation out of war, and upon the further purpose not to aid in protracting the war.

"It is my opinion that our citizens will not be disposed to insist upon transactions to derive war profits at the expense of human lives and human misery. In this connection I again repeat that an early peace with the restoration of normal business and normal business profits is far sounder and far preferable to temporary and risky war profits."

765.84/2349a : Telegram

The Acting Secretary of State to the Ambassador in Italy (Long)

WASHINGTON, November 5, 1935—4 p.m.

195. Although it may be somewhat early to estimate the effect which the imposition of sanctions may have on living conditions in Italy, nevertheless the Department would like to have your views in this regard. Do you anticipate that foreigners residing in Italy will suffer privations which may be injurious to their health and to their minimum comforts? Do you anticipate likelihood of Americans experiencing difficulties of a financial nature or suffering any indignities arising from a resentment to the fact that, as residents, they are consuming certain foods and other materials which are essential to a prosecution of military activities? Is there any substantial danger inherent in the fact that a confusion of nationalities in the minds of

the local populace may involve an American? Do you believe that, in general terms, the responsibilities of protection will materially increase the duties of our officers in Italy?

In case the answer to the last question is in the affirmative have you given thought to a procedure which might be followed uniformly by the Embassy and Consulates in Italy?

The above considerations should not be taken as an indication that the Department anticipates any incident which might lead to embarrassment but it none the less desires to be kept informed of any trends of public opinion which may be significant in this connection.

For your information when advice or information is sought of the Department as to desirability of traveling to Italy, the inquirer is referred to the President's Proclamation of October 5 and the Secretary's Statement of October 10. The Department cannot in all propriety discourage travel abroad nor at the same time fail to point out that we maintain diplomatic relations with Italy as a friendly nation and that we have consulates in that country to which our citizens may turn in case of need for advice or appropriate assistance. Inquiries of this nature, however, are relatively few at the present time.

PHILLIPS

765.84/2352 : Telegram

The Ambassador in Italy (Long) to the Secretary of State

ROME, November 6, 1935—noon.
[Received November 6—8:40 a.m.]

804. The Italian Government is determined to use their resources in fighting the governments which have voted to apply sanctions against it. This is particularly true in the case of Great Britain. The Italian people are in entire accord with their Government and are in effect practically boycotting the products of sanctioning countries and particularly Great Britain.

The representative in Italy located at Milan of one of the largest American cotton export houses told me yesterday that the industrial element of Northern Italy was refusing to buy any Egyptian (including Sudan) or Indian cotton and that they stated that they were determined as regards their future policy to refrain for all time from again buying Egyptian and Indian cotton. Furthermore they were now buying American cotton exclusively and committed as a matter of business policy and out of friendship to the United States to continue their exclusive purchases of American cotton in the future.

The same situation pertains as regards petroleum products. The Government of Italy will no longer buy from British Shell and individual automobile owners are practically boycotting Shell and patronizing Standard New Jersey, Socony and Tidewater products.

The last named we are informed this morning is making very heavy shipments of lubricating oils consigned principally to the Italian Government.

There is no doubt that the people are supporting the government in its position and that they are using whatever means they have within their power to retaliate against the sanctioning countries, particularly Great Britain. Nor is there any doubt that the effects of this policy will continue for a long time in the economic life of Italy. The consequence is that non-sanctioning countries will benefit largely for years to come in the Italian market.

Suggest advising Commerce and Agriculture.

LONG

765.84/2405 : Telegram

The Ambassador in Italy (Long) to the Secretary of State

ROME, November 7, 1935—6 p.m.
[Received 6:57 p.m.[27]]

811. Your 195, November 5, 4 p.m. It is not possible at this time to give even an approximate estimate of the effect of sanctions on living conditions. The Consulates were requested some weeks ago to make weekly reports giving the cost of certain specified items such as macaroni, bread, butter, cheese, beef, veal, fish, coal, soap and certain other articles comprising the basic necessities of life. Only the first two weekly reports have arrived so it is impossible to make any exact comparisons except to indicate that they show a rise in the price of many of the commodities. For instance, bar soap for washing purposes has risen from 90 centesimi to lire 1.50, anthracite coal from lire 1.80 to 2.80 per quintal. However, these rises in price and rises in many other commodities are due to the psychological effect of the imposition of sanctions and not to the sanctions themselves for they have not yet come into force. The greatest effect is psychological. The people are distinctly worried about them and are inclined I think to exaggerate their effects. This is partly due to the fact that the Government has made so much propaganda against the sanctioning governments and has so fervently appealed to the people to submit to privations that they have probably been unduly impressed. Their reactions are entirely in support of the Government and against the sanctioning countries. Furthermore, part of the rise in prices has been due to the fact that persons with cash have laid in supplies of non-perishable goods such as coal and soap and there has been consequently an abnormal demand with a consequent rise in prices of such commodities.

[27] Telegram in two sections.

Generally speaking, living conditions have not changed much. The necessities of life are all available though at somewhat higher prices. The Italian populace takes the situation stoically but those who are willing to talk all express both fear for the future of Italy and personal resentment against sanctioning governments. England is the particular object of their hatred and to such an extent that even representative Englishmen are apt to be treated with curt civility in the most punctilious society.

Proceeding to answer your question specifically: I do not anticipate that foreigners residing here will generally speaking suffer privations. The direct answer of course will depend upon the duration of the sanctions period and upon report on effectiveness of its application. In this latter respect it is presumed in informed quarters that it will be found impossible by various of the European governments to apply sanctions strictly because either of internal political conditions which would prevent them from a severe application or because various important elements of their citizens desire to profit by a trade with Italy on a cash basis.

As regards privations which may affect their health one must always consider the possibility, though it is not now apparent, of the denial of proper food to children. And as regards the general health of foreigners I will only mention as an indication of a condition already developed as regards medicines of foreign manufacture that my chef who is a sufferer from diabetes is unable to buy longer in Italy medicine for the insulin treatment and I have already sent to Paris to obtain some for him through diplomatic channels. There probably will be a good deal of privation of that sort which may also affect Americans.

Ancillary to the category which you mention in your question under consideration I would like to call to your attention the peculiar situation of the Vatican and its appendages resident in Rome. They are strictly speaking foreigners resident in Italy. The Vatican is recognized by many governments as an independent state but is not a member of the League of Nations and peculiarly enough was not recognized by the League in its inquiry to non-members. This inquiry was addressed to such states as Danzig, Liechtenstein and Monaco but not to the Vatican. Being entirely within the confines of Italy the members of the Vatican state are subject to the imposition of sanctions and to such of its rigor as may affect their health. In addition there are many institutions of many thousands of persons in the aggregate dependent from the Vatican and resident within the City of Rome outside the Vatican walls. In spite of their actual residence in Rome, they are affiliates of, and are considered as part of, the Holy See. These are peaceful unwarlike bodies of men pertaining to and all heading up in the personality of the Pope. They are all subject to the sanctions. It is quite possible that some day some intimation may

be made by the Vatican authorities in allusion to some of the humanitarian phases of vigorous application, particularly in regard to the peaceful and innocuous members of that organization.

I do not anticipate that Americans are likely to experience difficulties of a financial nature except insofar as it may be difficult for representatives of American firms to find foreign exchange with which to pay for goods of a non-essential character. Nor do I anticipate any resentment upon foreigners other than England [*English?*] who are living here as residents because they are consuming essential foods.

Certain restrictions on the consumption of food, principally meats, are already in force and the members of the American Embassy and Consulates are instructed to observe these regulations as a matter of courtesy and in order to eliminate any reason for resentment on the ground that we are unnecessarily consuming essential foods. As regards essential materials, it is also to be noted that gasoline will be difficult to obtain, the price having been advanced to about a dollar and a half a gallon, in order to discourage the unnecessary use. It is also rumored that diplomatic officers will be asked to find their own foreign exchange in payment for such gasoline as they may buy.

There is danger that a confusion of nationalities in the minds of any local population in Italy may involve an American, but the danger will be immediately relieved, if it is discovered in time that the person is an American. There was a near incident a few nights ago when students were manifesting against English concerns and when an American lady happened to find herself in the vicinity. Such incidents are likely to occur but any person known to be an American will receive the most courteous and cordial treatment. There was a distinct corroborating evidence [*corroboration?*] of that statement on Italian armistice day when a casual group of Fascists on their way to the Piazza Venezia halted before the American Consulate and gave a rousing demonstration of friendship with cries of "Long live America" and "Down with England". As long as the atmosphere continues friendly to America there will be no danger, but if the United States should assume a position similar to the other sanctioning countries, the populace could be immediately inflamed to an antagonism against America which probably would be more intense because it is the least expected. In this connection, I will remark that while the people generally are ignorant of the intricacies of the eventual purposes of American policy, due to unprecedented censorship, they consider that America has assumed a position of strict neutrality and is a nonpartisan in what they consider persecutions. Yet the Government and the well-informed view the attitude of America with considerable suspicion and are as yet unable to make up their minds that the United States will not proceed farther on the road to support the policies adopted at Geneva. The population is so volatile that they could be

easily inflamed by their Government against America but under the circumstances that exist at the present time the only danger comes from mistaking Americans for English. Persons visiting in the small towns of Italy report that they are immediately asked the question whether they are Americans or English. When the answer is given that they are Americans they are greeted with smiles and every manifestation of friendship. The feeling against England is very intense and runs through every degree of society, from the most cultured and aristocratic at the top, right down through every class to the ordinary workman and the peasant.

I do not believe of necessity the responsibilities of protection will be materially increased and consequently, have not worked out any plan for protection, which might be advisable to follow. However, I will consider it and consult the Consuls.

LONG

166/1011a : Telegram

The Secretary of State to the Ambassador in Italy (Long)[28]

WASHINGTON, November 13, 1935—6 p.m.

200. With a view of achieving uniformity of procedure you are requested to instruct the supervising Consul General at Naples to notify Consulates in Italy that all activities in connection with trade promotion should be suspended until such time as the policy set forth in the President's statements of October 5 and October 30 and my statements of October 10 and October 30 are no longer applicable to existing circumstances.

Trade letters received from American exporters should be acknowledged with a statement that conforming with this Government's announced policy the Department of State cannot facilitate trade with the belligerents. Similar action should be taken in connection with verbal inquiries for agency connections.

The Department should be kept fully informed of all proposals of Italian interests to enter into commercial transactions with American interests.

The Department of Commerce has been consulted and identic instructions are being sent by that Department to the Commercial Attaché. Although it is essential that these instructions be scrupulously observed, it is not the Department's wish that the impression be gained that there is anything new in their character or that they go beyond the stated position of this Government. Insofar as possible these instructions should be treated as administrative routine and be treated confidentially.

HULL

[28] A similar telegram was sent to the Minister Resident in Ethiopia as Department's No. 107, November 13, 5 p. m.

Statement by the Secretary of State Regarding Transactions With Belligerents, November 15, 1935 [29]

The following statement was made by the Secretary of State:

"In view of the many inquiries that are being asked from time to time with respect to trade with Ethiopia and Italy, I deem it proper again to call attention to the statement by the President on October 5 that he desired it 'to be understood that any of our people who voluntarily engage in transactions of any character with either of the belligerents do so at their own risk.'

"On October 10 I explained that the President's statement was based primarily upon the policy and purpose of keeping this country out of war, and that 'it certainly was not intended to encourage transactions with the belligerents.' I further explained that 'our people might well realize that the universal state of business uncertainty and suspense on account of the war is seriously handicapping business between all countries, and that the sooner the war is terminated the sooner the restoration and stabilization of business in all parts of the world, which is infinitely more important than trade with the belligerents, will be brought about.' The President, in a statement on October 30, further emphasized the spirit of this policy.

"The American people are entitled to know that there are certain commodities such as oil, copper, trucks, tractors, scrap iron, and scrap steel which are essential war materials, although not actually 'arms, ammunition, or implements of war', and that according to recent Government trade reports a considerably increased amount of these is being exported for war purposes. This class of trade is directly contrary to the policy of this Government as announced in official statements of the President and Secretary of State, as it is also contrary to the general spirit of the recent neutrality act.

"The administration is closely observing the trend and volume of exports to those countries, and within a few days the Department of Commerce expects to have complete detailed lists of all commodities exported to the belligerents which will enable exact comparison with lists for the same period last year."

711.00111 Armament Control/415

Memorandum by the Chief of the Division of Western European Affairs (Dunn)

[WASHINGTON,] November 18, 1935.

The Italian Ambassador handed me this afternoon the attached memorandum [30] regarding the shipment of fuel oil contracted for by the Italian Government to be shipped from a Gulf port to an Italian port by the tanker *Ulysses*. As the memorandum indicates, the Naval Attaché of the Embassy received a telegram from the David C. Reid

[29] Reprinted from Department of State, *Press Releases*, November 16, 1935, p. 382.

[30] Not printed.

Company of New York stating that this "Government refuses to permit the vessel to perform the voyage."

I checked with Mr. Phillips [31] with regard to this case and explained the situation to the Ambassador, as follows: That in cases where the American Government holds mortgages on ships, it has been decided by the Shipping Board that no one in the Government is authorized to take the responsibility for risking the Government funds and investment in such ships through subjecting these vessels to the risk of trade with the belligerents under the Government's announced policy that all trade with the belligerents is carried on at the risk of those engaging in such trade.

The Ambassador said that before reporting the development in connection with the shipment on the *Ulysses* he wished to inquire whether this Government was withholding permission for shipments of oil to the Italian Government. I told the Ambassador that as far as the direct action of this Government was concerned only those ships upon which the Government held mortgages or liens were involved.

The Ambassador said that he understood the situation thoroughly as thus explained and would so report to his Government.

JAMES CLEMENT DUNN

765 84/2606 : Telegram

The Ambassador in Italy (Long) to the Secretary of State

ROME, November 18, 1935—noon.
[Received November 18—9:45 a.m.]

843. Your 195, November 5, 4 p.m. There has been apparent these last few days a different attitude on the part of the Italian Government and Italian people toward America and Americans. As yet it is not definite nor hostile but the reaction against America is apt to be strong.

The activity of the American Government preventing trade with either belligerent is being construed here as placing the United States in the same general category with sanctionist countries. It is quite possible there will be retaliatory action of some kind.

In that connection I suggest for your careful consideration that an inquiry be made into possible large scale dealings on the New York Stock Exchange and even on the Grain and Cotton Exchanges for the account of the Italian Government but disguised. According to the more likely estimates securities abroad owned by Italian citizens may reach in value $166,000,000. Control of these securities has been assumed by the Italian Government. Probably 70 per cent of them

[31] William Phillips, Under Secretary of State.

are physically in the United States. They could be used for marginal purposes on the rising market. The stocks so margined could be dumped, the securities themselves dumped and the whole account sold short in an attempt to upset the market in retaliation. Incidentally they might pay for their war.

I have no basis for this thought other than my knowledge of these leaders and their methods and a suggestion which appeared in an Italian newspaper that the Government's holdings of French *rentes* might be thrown on the market as a counter sanction measure.

LONG

765.84/2606 : Telegram

The Secretary of State to the Ambassador in Italy (Long)

WASHINGTON, November 19, 1935—7 p.m.

204. Your 843, November 18, noon. Merely for your information and guidance and not for communication. This Government continues as it has from the beginning to pursue its own separate and independent course and initiative based on the primary purpose to keep this nation from being drawn into the war. It has and has had no agreements whatsoever, directly or indirectly, nor any exchange of views with any other Governments or groups of Governments relating to the Italo-Ethiopian controversy.

The President's embargo proclamation of October 5 was in pursuance of the mandatory legislation enacted in the last session of Congress which grew out of a nation-wide sentiment expressed long before the Italo-Ethiopian controversy. The subsequent warnings that trading with the belligerents would be carried on only at the risk of those engaging in such trade were further manifestations of this Government's desire to remain neutral. In no sense can these steps be considered in the nature of sanctions. They are measures taken independently and on our own initiative in accordance with the spirit and intent of the neutrality resolution of last August. That act and a number of public statements by the President and the Secretary of State since the embargoes were proclaimed clearly set forth the general policy of this Government as aforesaid.

The clear spirit of the neutrality act prohibiting the exportation of arms, ammunition and implements of war embraces essential and primary war materials. There has been a widespread demand for embargo upon these latter. Apart from the discouragement of general trade relations with both belligerents, it has appeared during recent days that abnormal exports to belligerents of several essential war materials were taking place which if permitted to continue without an expression of disapproval would have resulted in loud and

immediate public demand for remedial action. These increasingly large sales of strictly war materials were regarded as contrary to the manifest spirit of the neutrality act. Therefore it was clearly the part of wisdom to make the statement I made on Friday last [32] rather than to await similar developments elsewhere and then be subjected to the charge of combining and cooperating with the program of other nations or groups of nations with the resultant reaction in this country. This Government furthermore has not said nor done anything relative to Italian imports nor sought to aid Ethiopia as other nations represented at Geneva have done.

For your own information, the purchases of Italian goods by this country for the month of October amounted to $4,666,000.

HULL

711.00111 Armament Control/430 : Telegram

The Ambassador in Italy (Long) to the Secretary of State

ROME, November 21, 1935—10 a. m.
[Received November 21—9 : 15 a.m.]

848. Your No. 204, November 19, 7 p. m. Mr. Suvich invited me to talk to him last evening at the Foreign Office. When I met him he referred to your statement of November 15 concerning commodities essential for war purposes. He said that the Italian Government had watched the policy of the Government of the United States and had hoped and expected that its proclamation of neutrality would be observed as a real neutrality; that your statement of the 15th seemed to the Italian Government to be a departure from the strict line of that neutrality; that the expression of the officials of the American Government had indicated a policy to stop the sale to Italy of articles which were important to them and not prohibited by law; that the execution of that plan on the part of the American Government coming at this time when sanctions are being applied by other governments gave the impression to Italy that the United States was taking a position at variance with neutrality, in opposition to Italy, and in line with the governments who were applying sanctions. He would be glad to be enlightened to the contrary.

He referred to the Congressional resolution of neutrality and said that it was his understanding that the Congress had enumerated particular implements of war in its legislation and that the Italian Government had been under the impression that the President's proclamation of neutrality had been issued on the authority of that legislation and he wanted to ask whether the Italian Government might feel justified in believing that by reason of recent expressions of the

[32] November 15.

officers of the American Government, which seemed to exceed the bounds of Congressional authority, they were proceeding on a course opposed to Italy.

I said that the point of view of the American Government could not properly be understood by people in any country in Europe who were living in a condition where there was a constant threat of war, of conflicting ambitions and involved national and international prejudices; that it was necessary to be an American or to be for a long time in America before one could understand the motives and actual state of mind of the American people and of the American Government; that we had had many unpleasant experiences as a result of the last war and were determined to keep out of all future wars in Europe; and that we had independently adopted for ourselves a course which was definite and which was considered from our point of view to be the wisest for our own safety and welfare and for the welfare of the world. I further said that no two nations at war were ever on exactly an equal footing and that a policy of strict neutrality must apply to the detriment of one more than to the detriment of another and that while Italy might feel that in the present circumstances American policy would interfere with her more than with Abyssinia that the unequal effect was a circumstance which would always appear in any struggle between any two governments; that the American policy was being formulated in an effort to give evidence of her real desire to keep out of war and to prevent that she be used to contribute to the continuance of a war. I called attention to the fact that popular opinion in America was overwhelmingly against Italy; however, the Government was not swayed by the emotions of the populace but was calmly working out a long range policy to keep us out of all wars. I then referred to the substance of yours under reference except paragraph 3 but including last sentence of that paragraph which I had previously received and which was helpful.

Mr. Suvich then said that he understood the American point of view but that they could not overlook the fact that in these particular circumstances the American action was giving special help to the countries which were applying sanctions against Italy. He mentioned the Canadian resolution proposed to the Committee of Coordination providing that there be included on the embargo lists raw materials similar to those mentioned in your statement of November 15th. He said that that resolution had been adopted provisionally; that it would not become operative unless and until states not applying sanctions should adopt similar procedures and that the promulgation of a policy by the American Government in harmony with the Canadian proposal at this time would be a distinct help to the governments aligned against Italy and consequently and to the same extent antagonistic to Italy.

Mr. Suvich then proceeded to say that you had made another statement of which I have not been advised but of which I have seen some reference in the European press to the effect that the American Government would take the aggressive and withhold any financial benefits which might be accruing to American shipping firms which carried goods from America to Italy and intended to discourage the carrying of merchandise to Italy. He said that this seemed to go farther than the threat of export prohibition upon war materials and that the Italian Government might feel justified in the thought that this was a policy directed primarily at Italy.

Mr. Suvich said that he regretted the necessity for taking up this subject; that he did it only after careful deliberation but that he felt that he must call to the attention of the American Government that our relations would not probably be on the same friendly basis if America pursued a policy the practical effect of which would be to assume a position which would make substantially a common front with the governments opposing Italy.

He mentioned the long historic friendship with America which Italy considered traditional and was shared with the Government by the entire populace; he said that he would look with distinct apprehension upon any development which could challenge that friendship or drive into the friendly relations between the two Governments a different element. He realized the high ideals of the American Government in its foreign relations and understood their desire to keep entirely aloof from any European conflict but he was unable to reconcile the statements of neutrality and the status of our historic friendship with expressions which seemed on their face to indicate a policy of the American Government which was a departure from neutrality and antagonistic to Italy. He said that in theory the suggested policy of the American Government would apply equally to Italy and to Ethiopia but in practice such a policy would operate only against Italy.

He mentioned particularly the effect which the stoppage of sale of gasoline would have. In that case the use of motor cars might have to be banned throughout Italy and as they were run principally by American gasoline the temper of the people would be principally directed against America. This he feared would be the case all over Italy wherever there were motor cars and he was anxious to prevent any popular feeling against America.

He felt it was the duty of the Italian Government to speak frankly. He realized that some people in Italy and in some other countries were a little excited but he viewed the matter very calmly and dispassionately and wanted to call it to the sober attention of the American Government.

Mr. Suvich was very calm and unemotional. While there was no doubt it was a serious conversation, I would not like my unfortunately direct literary style to convey the erroneous impression that he was abrupt, curt or particularly emphatic. On the contrary he was suave and courteous in every respect and questioning rather than declaratory.

To my surprise Mr. Suvich did not mention our treaty with Italy of 1871.[33] I have devoted a good deal of thought to this general question and have tried to interpret your policy and to prepare myself to answer if necessary any inquiries which might be suddenly proposed to me. In the course of my studies I have tried to reconcile the policy of restrictions on exports of materials other than implements of war with the provisions of the treaty of 1871 specifically articles 6 and 15. Every government of any importance in the world except the United States and Egypt either is or at some time has been a member of the League of Nations. The Covenant of the League supersedes, as regards all of these other governments, treaty provisions inconsistent with the Covenant and consequently those similar to that in our Treaty of 1871. However, our treaty is still in full force. I doubt very much that the present officers of the Italian Government are ignorant of its provisions. I would be glad to have your guidance in regard to this matter.

In conclusion I refer to the third sentence of paragraph 2 of yours under reference. But in Europe they are so considered. It may be difficult at the distance of America to appreciate it but American present policy is so closely in line with League policy that notwithstanding its independent origin the non-Italian press of Europe including the *Paris Herald* comments upon it as being in support of Great Britain and Geneva and as directed [against?] Italy. In diplomatic circles the same opinion is held.

I have no desire to offend you by the frankness of my statements, by insistence or by prolixity in cables but I feel very deeply the importance of this moment. I realize well that this impression is different from your concept of it. I appreciate the position in which you find yourself in regard to your desire not to vitiate the action of other governments on the application of sanctions. But not only has America no possible obligation similar to article 16 of the Covenant but she has a treaty obligation prohibiting any such action. For this reason, I warn you that Italy will assume toward America an attitude entirely different from that assumed toward other governments members of the League and that a continuance of your present policy will

[33] Treaty of Commerce and Navigation signed February 26, 1871, William M. Malloy (ed.), *Treaties, Conventions, etc., Between the United States of America and Other Powers*, 1776–1909 (Washington, Government Printing Office, 1910), vol. I, p. 969.

result in an entirely different relationship between the United States and Italy—and when the change comes it will come very abruptly.

I quite approve of your policy but I think it is misnamed. It should be known as non-intercourse with belligerents—anywhere at any time. And in the face of being considered presumptuous I go so far as to counsel you as follows; (1st) if the treaty of 1871 is of continuing force that we observe a neutrality under it until our obligation in regard to it is terminated by denunciation; (2d) if the Treaty is not in force that we discard the doctrine of neutrality for a doctrine of non-intercourse after adequate legislative authority has been given to impose embargoes. Popular clamor at home is not to be weighed in the same scales with treaty obligations.

LONG

765.84/2747

Memorandum by the Secretary of State [34]

[WASHINGTON,] November 22, 1935.

The Italian Ambassador called by his own request and after some preliminary exchanges of the usual nature he said that he called upon instruction of his Government to lay before me two views which his Government supports; that he was not handing me a note or any other formal instrument of writing; that he had reduced to writing the oral conversation that he is proposing to conduct. The Ambassador thereupon proceeded to read to me the typewritten copy of his proposed oral conversation:

"1.—The various official declarations and public statements issued from the Federal Government during the last two months with regard to the Italo-Ethiopian conflict, and particularly the statement of the Secretary of State of November 15, cannot be interpreted otherwise than an extension and aggravation, to the principal detriment of Italy, of the meaning of the Neutrality Act of August 31, 1935.

"Although these declarations and statements apply, formally and theoretically, to both the contending parties, it is well known that their practical result would be actually to impair the freedom of trade only with respect to Italy.

"Such an assumption has been confirmed by the fact that the statement made by the Secretary of State on November 15 specifically mentions certain commodities which Italy has been used to buy in the United States and which, being largely employed for nonmilitary purposes, are essential to the needs of the economic and social life of any civilized country.

"We maintain that any measure or policy aiming at, or resulting in, imposing restrictions which actually are detrimental to only one of the contending parties, goes against the spirit of neutrality.

[34] Excerpts from this memorandum were telegraphed on November 23 to Rome and Addis Ababa; also to Paris for transmission to Berlin, Geneva, and London.

"2.—We maintain also that the above-mentioned statement of the Secretary of State is contrary to the letter and the spirit of the Treaty signed between the United States and Italy in 1871—and still in force—which reciprocally guarantees each contracting party a 'complete freedom of commerce and navigation'.

"No justification whatsoever for the limitation of the freedom guaranteed by the Treaty can be found in any international Act dealing with the status of neutrals. Reference is made in this respect to the Hague Convention of 1907.

"Such a limitation, if and when applied, is bound to assume the meaning of a 'sanction' and therefore the positive character of an unfriendly act.

November 22, 1935."

The Ambassador paused briefly here and there in the course of the reading to elaborate with one or two sentences, but they did not change the purport of the instrument of writing. He then indicated his desire to answer any question or listen to any comment I might see fit to offer in case I desired to do so. I addressed the Ambassador and said that, of course, he and his Government should keep in mind all of the essential phases of the situation as it relates to this country; that in all of the past the most cordial and friendly relations have existed between the people of this country and those of Italy; that the people of this country today do not feel personally unfriendly towards the people of Italy, but that they are vigorously and almost wildly against war and are at all hazards in favor of keeping out of the present war; that, if those participating in the war were double cousins and twin brothers of the American people, the people of this country would be just as violently and eternally against the war and in favor of peace and, above all considerations, in favor of keeping away from and out of the war as would be possible. I said that it was in these circumstances and in this highly wrought up state of the public mind of this country that the Neutrality Act of last August was enacted and the Executive Department was directed to pursue the policy of neutrality which it provided; that this mandate of Congress was promptly put into effect when the President declared a state of war to exist between Ethiopia and Italy and declared an embargo on the shipment of arms, ammunition and implements of war to either of the belligerents; that at the time heavy pressure was brought to bear upon the State Department also to include a number of prime and essential war materials out of which finished arms, ammunition and implements of war might be made in large quantities over night; that since that time insistent demands representing large groups of sentiment in this country have been made upon the Executive Department to include these war materials in the embargo issued under the Neutrality Act against arms, ammunition and implements of war. I added, in this connection, that I hoped that the Ambassador

and his Government would recall the experience of the people of this country in ways that will shed much light upon the state of mind and the viewpoint of the people and of this Government in accordance with it, and that is that our country sent 2,000,000 men to Europe to fight for Italy and other countries at an enormous cost to this Government and this country; that we likewise loaned Italy much money at the time and afterwards; that we later made almost a nominal settlement with the Italian Government at twenty-five cents on the dollar, all of which, with interest, is due and unpaid, to say nothing of other vast indebtedness in Europe; that I have been besought during past months to demand aggressively, if necessary, payment by the Italian Government of this indebtedness instead of its spending hundreds of millions in this Ethiopian conquest. I said that I had not done so thus far, but until this time I had been willing, on a suitable occasion, to sit down with the Ambassador and seek a satisfactory adjustment of the indebtedness. I then said that with the extremely disastrous and unsatisfactory experience of the American people in going to Europe and aiding Italy and other countries to the extent they did, they are almost wild in their demand that we not only avoid being drawn into the war but that we stay entirely away from the same; that the people of this country are in no state of mind to engage in any activities or steps except those primarily looking towards keeping out of the war and in a secondary or subordinate sense manifesting proper interest in peace and the shortening of the duration of the war in the light of our obligations under the Kellogg Pact; that it is in this highly wrought up state of mind of the American people that the Government of Italy now arraigns this Government upon both a charge of unneutrality and violating the provisions of the treaty between the United States and Italy of 1871 pledging complete freedom of commerce and navigation. I said that these are surprising as well as serious complaints in the circumstances. I said I might remark here that from the outset this Government has pursued its own separate, independent course and initiative with respect to all phases of the controversy between Ethiopia and Italy; that we have had no agreements whatsoever, directly or indirectly, with Geneva or London or Paris; that they did not know of any of the steps this Government had taken until they read about the same in the press; that this Government believes that it has been consistent in its course and policies and naturally feels constrained to adhere to them; that the Government, as stated, placed in operation its embargoes and at the same time the President warned all Americans against any business or economic contacts with any of the belligerents, except at their own risk. The President and myself in public statements during the weeks that followed made it clear that this warning statement of the President was intended, generally, to discourage any business or economic

relationships between our nationals and the belligerents; that nothing further was said by the President, myself or the Government officials relative to business dealings with the belligerents until some days ago when the official statistics showed that some five essential war materials were being exported from this country to belligerents in abnormal quantities compared with similar shipments during any recent period, and that I thereupon made a further official statement, in which I said that this class of business was directly contrary to the policy of the Government in opposition to selling war materials to belligerents, which policy was held and believed to be strictly within the spirit of the Neutrality Act; that nothing further has been said by the President or myself with respect to trade relations between this country and the belligerents. I then said that the Ambassador must realize that just as soon as the American people discovered that abnormal quantities of essential war materials were being shipped on an increasing scale to belligerents without protest but with the silent acquiescence of the proper Government officials, there would probably be a storm of criticism and a loud demand for the immediate convening of Congress to take adequate steps in the premises, and that the result scarcely beyond any question would be a swift passage of a drastic act dissolving every possible relationship with the belligerents pending the war. I repeatedly expressed surprise that the Italian Government would make a complaint against this Government in all the circumstances in the severe language that it does. I inquired whether and what the Italian Government had said to Germany in the light of a more sweeping and inflexible prohibition of business relations with the belligerents than this Government has taken. The Ambassador replied that he did not know whether his Government had made any representations to Germany. I commented rather emphatically and stated that I had seen no published account of any complaint whatsoever, and that it was therefore all the more strange to me to read this rather harsh complaint against this Government; that it seemed all the more surprising when both the Ambassador and I know that the bitterest critics of the Executive branch of the Government and the most extreme isolationists who are demanding that all Americans stay entirely away from the war zone do not in the slightest question the integrity of the neutrality policies of this Government as they are being carried out in accordance with the letter or the spirit, or both, of the Neutrality Act. I said that it was really astonishing to find that a government cannot be neutral without being attacked and a demand made to supply war materials to a belligerent under penalty of being charged with an unfriendly act. The Ambassador emphasized the view that the manner in which this Government is conducting its policy of neutrality operates as a discrimination

against Italy. I replied that under the law of neutrality in the past any belligerent controlling the high seas was usually at an advantage over its enemy with respect to obtaining goods from neutral countries, that a poor belligerent without means of purchasing and paying for supplies from neutrals was at a disadvantage under the operation of neutrality laws, and likewise where one country has or can produce its military supplies and another is without such facilities or equipment, the latter suffers under the operation of the neutrality law. I then pointed out that, in fact, under the policy this Government is now pursuing neither Italy nor Ethiopia should be securing war materials with the result that both countries are as nearly on a parity in this respect as it is possible for them to be. The charge of discrimination, therefore, does not apply. I repeatedly inquired of the Ambassador why his Government does not sit down with others and work out this difficulty in a peaceful manner. He made very slight and casual comment in reply. The Ambassador sought to emphasize the idea that the attitude of his Government was not fully understood in this country and that it had been misrepresented to a considerable extent. I commented that his Government might well have thought of all of these and other unsatisfactory phases before getting into the war. I stated as emphatically as possible that these trading incidents to which the Italian Government refers and about which it complains are entirely trivial compared with the real problems and deep concern which the Ethiopian-Italian war causes this Government; that the Ambassador must realize the awful repercussions that make their immediate appearance in far and remote parts of the world, but which are calculated to give this nation and perhaps others, including Italy, unimaginable troubles for a generation. The Ambassador immediately indicated that he knew the Far East was in mind. I added that the second condition which is giving this Government immense concern relates to the possible spread of the war to any number of other countries at almost any time with unimaginable troubles and injuries and consequences to this country as well as others; that it is, therefore, all the more deplorable to see the Italian nation moving forward with the war, which it must realize threatens to create these terrific problems and conditions so far-reaching that the imagination cannot grasp their possibilities. I inquired why these considerations were not in the mind of the Italian Government before it went into the war and again reiterated my surprise that the Italian Government, on the contrary, is upbraiding this Government virtually because it is thus so deeply concerned and is striving in every possible way to keep entirely away from and out of the war. I remarked then that the Ambassador well recalls that the President and I pleaded with and almost prayed with Mr. Mussolini to keep out of

the war but that he ignored our plea and now seems to expect us to furnish him with war supplies while he prosecutes the war ad libitum. I added that regardless of anything or anybody this nation proposed to stay out of and as far away from the war as possible, and that we feel most deeply the indifference with which the world is subjected to the threat of a general war and with the frightful repercussions in the Far East; that this Government is keeping its attitude flexible under the Neutrality Act and the spirit of that Act which is being carried out in connection with the policy of opposition to the supplying of certain war materials to the belligerents; that if the war should spread, for example, this Government will be in an attitude to take further steps relative to both miscellaneous trade and the five war materials which I recently referred to in a statement opposing their shipment to the belligerents; that this Government cannot think of any course or any precautionary plans short of these, in view of the fact that aeroplane bases, naval bases and submarine bases dot the entire Mediterranean section with the result that almost at any time a conflagration might be touched off; that it is in the light of these dangerous possibilities, which to the American people seem to be probabilities, that this country is almost madly opposed to our Government taking the slightest risk of being drawn into the war by permitting its nationals to trade promiscuously with belligerents in and about this dangerous war zone, especially in essential war materials. I stated that during the past three years I had almost worn myself out physically in an effort to aid in world economic rehabilitation so that Italy and other countries would have an adequate amount of international trade to afford contentment to their respective populations, and that the Ambassador could not begin to imagine the deep disappointment I feel at the effort to renew the practice which all nations have recently undertaken to abandon, relating to that of military aggression by any and all countries at any and all times, and that, of course, if one country is to be allowed to violate this new policy of the pacific settlement of disputes, then every country may do so with consequences that one shudders to contemplate. I pointed out to the Ambassador the fact that the League of Nations organization at Geneva solemnly adjudged an aggressor in this war, while the United States did not; that the Geneva agency seeks to aid Ethiopia, which the United States does not; that the Geneva agency seeks to embargo all imports from Italy, which this Government does not; that this Government, as stated, is pursuing its own separate course without understanding or collaboration with other governments or peace agencies, and that in these circumstances it is not only difficult to understand the Italian complaint but I repeat that it is surprising to contemplate it; that the mere fact that there are some concurring

836401—53——59

acts on the part of the League of Nations in pursuing sanctions and of the United States in frankly carrying out its policy of neutrality is, in the circumstances, no basis whatever for a charge against the United States of unneutrality and of unfriendliness. This makes a mere coincidence or its absence determine the question of whether the United States is or is not neutral, in the eyes of the Italian Government. In other words, if there were no attempted sanctions at Geneva the United States would be entirely neutral in carrying out its present policies of opposing the sale of war materials to belligerents. I added that when I issued my statement on the 15th of November, about which complaint is now made, I did not know and, in my opinion, no one here knows yet what the League of Nations may or may not do regarding concerted action to curb exports to Italy of oil and other prime war materials, and yet here is a charge that this Government is engaged in an unfriendly act as stated. The Ambassador said that this step, in his opinion, would be taken on the 28th of this month at Geneva. I commented that, of course, that remains to be seen. I inquired of the Ambassador why his Government had not taken $100,000,000 to Ethiopia and brought back a key to the entire Empire instead of expending several hundred million dollars in its military conquest with all of the worry and threat of danger to the balance of the world. He replied that Italy had been attempting for forty years to effect colonizations in Ethiopia, but without success. I repeated that the people of this country are as yet entirely friendly to the Italian people but added that if his note should be made public in the United States, an inflamed public that nobody could control or curb would be almost instantly aroused and that, of course, the pressure of a surprising charge such as he is bringing against this Government will in due time make the American people personally hostile to the people of Italy, and naturally it would endure long in their minds. I took up the complaint of violation by this Government of the treaty of freedom of commerce and navigation of 1871 with Italy and at once stated that I was satisfied that international and all other law makes it possible for either country a party to this commercial treaty to remain neutral in the event the other country becomes involved in war; that it is inconceivable that either Italy or the United States in an ordinary commercial treaty signed away its right to remain neutral in case of war on the part of the other and that that is the precise reason this Government is undertaking to pursue and has no other idea than to pursue it; that, furthermore, with both Italy and America signatories of the Paris Peace Pact with the solemn obligations it imposes upon each, it is not possible to understand how Italy can go to war and announce to the United States Government that despite the Paris Pact it must supply Italy with materials of war

under penalty of being guilty of an unfriendly act, as stated. I remarked further, without discussing the merits, that the American people cannot be convinced that the Italian Government is not under most solemn obligations to keep the peace under three or four treaties, and it is incomprehensible to them to find Italy demanding of this Government that to be neutral it must furnish war supplies and that if it fails to do so it is guilty of an unfriendly act. I repeatedly emphasized my great surprise and incomprehension and repeatedly inquired why his Government had not thought of these phases before it went into the war. I finally said that, while entirely satisfied as to the lack of interference of the treaty of 1871 with the present course of this Government, I would, as a matter of courtesy to the Ambassador, again give some further attention to the authorities, although I have no doubt that I have examined them fully and accurately. The Ambassador did not attempt any aggressive utterances and I endeavored throughout the conversation to make the impression upon him that our nation and most other peace loving nations were greatly pained and hurt to find their traditional friends, the Italian people, involved in this war despite the numerous treaties of peace to which the Government is a party, and despite the awful menace to the peace of the world which this war creates.

C[ORDELL] H[ULL]

711.00111 Armament Control/495

Memorandum by the Chief of the Office of Arms and Munitions Control (Green)

[WASHINGTON,] November 22, 1935.

The Italian Ambassador called at my office late this afternoon. He was very much flushed and more nervous and intense than I have ever seen him before. His usual calm suavity was entirely lacking. He told me that he had just had a long conversation with the Secretary and he gave indication of being somewhat flustered as a result of that conversation.

The Ambassador began by describing in general terms his conversation with the Secretary. He then discussed in some detail the case of the tanker *Ulysses*.[35] He said that he considered the action of this Government in regard to that vessel "an unfriendly act". He said that he had used that expression in his conversation with the Secretary and that the Secretary had objected to the expression. He said that in using the expression he had attempted to convey exactly the meaning

[35] See memorandum by the Chief of the Division of Western European Affairs, November 18, p. 819.

which he had in mind, and that he hoped that his imperfect knowledge of English had not led him into using an expression which carried a meaning stronger than that which he had intended. He spoke at some length on this case and was particularly emphatic in his statement that this Government would not have incurred any risk had it permitted the tanker to carry a cargo of oil to Italy. He said that his country was involved in "an economic war", and that the action of this Government in respect to the *Ulysses* seemed to his government to be an act in aid of those powers which were waging economic war against Italy. He said that this economic war was entirely unjustified, and that although he was willing to admit that Italy had made many tactical errors in her recent diplomacy, nevertheless her cause was just and her action in respect to Ethiopia entirely justified.

The Ambassador said that when the President and the Secretary issued statements on October 31 [*30*], in regard to commercial transactions with the belligerents, he had hoped that those would be the last statements issued in regard to that subject, and that he and his Government had been greatly disappointed and disturbed at the Secretary's statement of November 15.

Up to this point, I had said nothing to the Ambassador beyond polite phrases indicating that I was attentive to what he was saying. At this point, I asked him whether he had any information which would indicate the possibility of a peaceful settlement in the near future.

The Ambassador answered that that depended entirely upon Great Britain. He then denounced Great Britain in strong terms, saying that the British Government was entirely responsible for forcing the other members of the League to apply sanctions to Italy, that the sending of the British fleet to the Mediterranean was "a hostile act" intended to bring "military pressure" on Italy, and that if Great Britain persisted in her present policy, Italy would rather go to war than submit. He said that the Italians recognized that if they went to war, Italy would be crushed, but that no self-respecting nation could submit to such pressure as that to which Italy was now being subjected, and that if this pressure was continued, a hopeless war with the powerful coalition arrayed against her would be the inevitable result.

From several expressions used by the Ambassador in the course of his conversation and particularly from his very strong protestation of personal friendship when he left my office, the impression which I had in my conversation of yesterday with Rossi Longhi—that the Italians here feel very strongly their isolated position and that they are super-sensitive in respect to it—was re-enforced.

JOSEPH C. GREEN

711.00111 Armament Control/624

Memorandum by the Assistant Secretary of State (Moore)

[WASHINGTON,] December 11, 1935.

Some time before the President went to Georgia, he expressed distinct disapproval of the tanker [86] being allowed to carry a cargo of oil to Italy.

During his absence in Georgia, the matter was brought to my attention from the White House, and I have reason to believe that subsequently, and perhaps previously, it had been brought to the President's attention.

I had frequent talks with Mr. Schell, of the Department of Commerce, and on the President's return to Washington, I inquired of him, through his personal secretary, Miss LeHand, whether he had reached any different conclusion as to what should be done, and Miss LeHand replied that he desired to leave the matter entirely to the determination of the State Department and the Department of Commerce. This morning I sent Miss LeHand a note as follows:

"My dear Miss LeHand: I am again referring to the matter of the shipment of oil to the Italian Government on the tanker *Ulysses*. Since our telephone conversation yesterday afternoon, I have ascertained definitely that as early as September, 1935, the owner of the vessel was expecting to arrange for such a transaction, and he placed the tanker in dry dock, where it was reconditioned at an expense of certainly not less than $25,000, and perhaps as much as $40,000; that on October 25 the vessel was chartered to the Reed Company for a voyage to Italy, and that on the same date the Italian interests entered into an agreement with the Reed Company for the vessel to carry a cargo of oil to the Italian Government. If the carriage of the oil is forbidden, the Reed Company will be liable to a suit for damages; the owner of the vessel will almost certainly look to our Government for the payment of damages; and the prospect of the vessel being kept in business so as to afford its owner some opportunity of paying the Government's mortgage will be gone. It is thought by the Department of Commerce and the Department of State that we should not stand in the way of the transaction being completed. You will bear in mind that October 25 was prior to the announcement being made with reference to the shipment to the belligerents of five specified articles, one of which is oil.

The only reason I am writing you is that I wish the President to have all the facts, and if he desires to do so, confirm the understanding you gave me yesterday that he leaves the matter to the determination of the two departments mentioned. I hope on receipt of this you may be able to see the President within at least an hour or so and telephone me.

Yours very sincerely,"

[86] i. e., the *Ulysses;* see memorandum of November 18, p. 819.

Late this afternoon Miss LeHand telephoned me that "The President approves the recommendation."

In view of the circumstances of the case, the Secretary of State, if the Secretary of Commerce concurs in his opinion, believes that the tanker should be allowed to proceed with the cargo of oil.[37]

R. WALTON MOORE

VI. Refusal of the United States to associate itself with League of Nations sanctions against Italy

765.84/1219 : Telegram

The Ambassador in Italy (Long) to the Secretary of State

ROME, September 18, 1935—1 p.m.
[Received September 18—8 : 55 a.m.]

588. I refer to Geneva's 299, September 14, 7 p.m.[38] and particularly to paragraphs 4, 5, 6 and 7 thereof relating to sanctions.

If sanctions are invoked at Geneva I sincerely hope the American Government will not associate itself with them. There would be many unfortunate grave repercussions at home and unnecessary complications here.

The Congress passed at its recent session directory legislation governing the relations between the American Government and belligerents. In my opinion the American Government ought to act under that legislation and without reference to the program of any other government or group of governments and should so time its acts and so phrase its declarations on the subject that it will exclude the assumption that it is acting in concert with other powers.

Please pardon my presumption but the implications in the telegram under reference indicate the possibility of some thought of action in concert which I would consider a serious political and international error.

LONG

765.84/1197 . Telegram

The Secretary of State to the Chargé in the United Kingdom (Atherton)

WASHINGTON, September 20, 1935—11 a.m.

262. Your 447, September 16, 9 p.m.[39] With reference to the possibilities of a desire at some future time for information with regard to

[37] On December 13, J. M. Johnson, Assistant Secretary of Commerce, informed the Department that the Secretary of Commerce concurred and that the *Ulysses* had been instructed to proceed (711.00111 Armament Control/642).

[38] *Ante*, p. 647.

[39] *Ante*, p. 649.

the attitude of this Government with respect to collective measures which might be adopted by the League in connection with this controversy, I shall endeavor to give you some of our thoughts in that regard.

This Government and the American people are deeply interested in the maintenance of peace, in the settlement of international disputes by peaceable methods and in avoiding being involved in war. The recent Joint Resolution of Congress [40] providing for certain steps to be taken by this country upon the outbreak or during the progress of war provides among other things for an embargo against the shipment of arms and implements of war to belligerent nations. This provision is mandatory upon the President in the event of an outbreak or during the progress of war. The President is given authority in this Joint Resolution to define the items to be prohibited shipment.

This Government would not join in the imposition of sanctions upon any nation involved in the pending controversy between Italy and Ethiopia. As far as concerns any action to be taken by this Government in connection with measures which might be adopted by collective action under the League with reference to the Italo-Ethiopian controversy, it would of course be obviously impossible for this Government to arrive at any conclusion with regard thereto before it was placed in full possession of the reasons and bases upon which such collective action by the League were founded and a complete description of the specific measures to be put into effect. You can, I am sure, quite well understand that no advantage could be gained from any premature discussion of hypothetical possibilities in this regard. We are following the situation closely as its developments are being reported by you and our other representatives in the field and we were glad to learn from a telegram from Mr. Wilson [41] in Geneva reporting a conversation he had with Mr. Eden that there would probably not be any discussion with us of any phases of our attitude, in the event of knowledge of our attitude becoming important, before a definite program was completed and generally agreed to. We appreciate the spirit in which the British Government is keeping us informed of the developments in the situation and its attitude toward those developments and we will be glad to continue to be kept informed as events occur and as the proceedings with regard to them advance.

I am giving you these thoughts entirely for your own information in connection with possible future developments and for your guidance in the event of any future reference to the subject.

Please send a copy of this telegram to Paris and Geneva.

HULL

[40] S. J. Res. 173, approved August 31, 1935; 49 Stat. 1081.
[41] Hugh R. Wilson, Minister in Switzerland.

765.84/1529 : Telegram

The Consul at Geneva (Gilbert) to the Secretary of State

GENEVA, October 3, 1935—2 p.m.
[Received October 3—12 : 05 p.m.]

412. Consulate's 408 October 2, 5 p.m.[42] A member of the Council stated to me today that "some consideration" was being given to soliciting the participation of the American Government in possible operations by airplane of "impartial observers". In fact I was asked concerning the nearest posts where American military attachés were stationed. General reference was made in this connection to our participation in the Manchurian inquiry.

While I am at present disinclined to think that there is anything in this I am reporting what was said to me.

I feel it would be useful in a general sense to have as background the Department's comments. Please instruct.

GILBERT

765 84/1667 : Telegram

The Consul at Geneva (Gilbert) to the Secretary of State

GENEVA, October 8, 1935—4 p.m.
[Received October 8—2 : 30 p.m.]

448. Consulate's 428, October 5, 9 p.m.[43] In respect of the question of inviting non-member states to collaborate in some manner with the contemplated Assembly "coordination" or "sanctions" Committee the only non-member states which I have heard named in this connection are the United States, Brazil, Germany (in effect a non-member) and Japan.

In a conversation with the Brazilian representative here he stated that he had received no intimations whatsoever as [to] the position Rio de Janeiro might take in this respect but added that he assumed that they would at least wish first to ascertain the position of Washington.

In a conversation with Yokoyama he tells me that naturally he had been endeavoring to learn what he could here regarding this project. He added that in his inquiries it had been stated to him that the acceptance of the United States was regarded as possible, that of Germany and Japan as improbable and that of Brazil as uncertain. He said that all he knew was that the project appeared to have originated in the Secretariat and that it had been discussed in some manner between the British and the French delegations, with what results he did

[42] *Ante*, p. 662.
[43] Not printed.

not know. He told me that in his opinion Japan would not accept such an invitation. He then confidentially informed me that the Japanese Ambassador at Berlin had sounded out the Wilhelmstrasse on this question and that he had been told that Germany would decline such an invitation.

The German Consul here stated to me that he understood that Berlin would not accept an invitation of that character and told me further in confidence that Berlin had informed him by telephone this morning that their general attitude was that these were "League" sanctions, that Germany on the eve of her withdrawal could not participate in their formulation but that after the League had taken action they would consider the situation thus created.

I may comment that in view of the foregoing, which must presumably be known to the British and the French and to other European chancelleries, I am somewhat surprised that the idea of including Japan and Germany in such an invitation still continues. While not wishing in any way to impute motives in any quarters, I can say at least that the application of sanctions in any universal sense is regarded as something very difficult of achievement and that certain powers definitely do not desire that sanctions be applied against Italy or perhaps one might say that they do not wish to be placed in the position of taking definite action on such an issue. If this be the situation naturally a refusal on the part of the United States as well as that of other non-member states could I think be used as an excuse why sanctions could not be applied with the obvious result that should this excuse be employed a certain amount of onus would rest, among others, on ourselves. I beg to recall in this connection a press statement of Hoare's of fairly recent date to the effect that sanctions could not be carried out without the cooperation of the United States and Germany.

GILBERT

765.84/1680 : Telegram

The Minister in Switzerland (Wilson) to the Secretary of State

GENEVA, October 8, 1935—5 p.m.
[Received 5:25 p.m.]

323. At Massigli's[44] invitation I had an informal talk today with him and Coulondre, the French Foreign Office expert in economic matters. The conversation can be divided into two: (1) sanctions, and (2) general political matters.

1. Sanctions. Regarding the terms of the arms embargo they immediately raised the question as to which certain strategic materials,

[44] René Massigli, Assistant Director of Political and Commercial Affairs in the French Foreign Office.

notably petroleum and copper, could be included under the term "implements of war", I replied that I had no instructions in this respect nor could I give them an expert opinion. Personally I felt, however, that it would be difficult legally to include such articles in the terminology of the Act.

They believe that the Committee of Coordination to be set up by the Assembly (see my 320, October 7, 4 p. m.[45]) will first work on simplest things, for instance, the adoption of a general embargo on munitions of war to Italy and the raising of any embargo against Ethiopia on these articles and next the embargo on credits to Italy. These steps will be followed by the more complicated matter of attempts to embargo the raw materials indicated in the first paragraph. I asked what they proposed to do with respect to Switzerland and Austria whose attitude is uncertain as well as Germany. They suggested the establishment of a rationing system for non-participants which would include an undertaking not to reexport and would be similar to that in practice during the war.

They were emphatically convinced that such embargoes and quotas could be made efficacious but only on condition that the United States would cooperate. I said that I felt cooperation in such measures might be extremely difficult. The President had imposed an embargo as he was authorized under the Act. Congress would not be again in session until the beginning of the year and it seemed to me that with present legislation, it would be difficult to share in such measures.

If, however, a further step were taken and any form of blockade established it seemed to Massigli and Coulondre—judging from the President's statement of October 5th[46]—that the American Government would not be disposed to protest against its establishment.

Massigli said that from his conversations with the British he thought it might well be that an invitation to the non-member states to collaborate with the Committee of Coordination would be issued within the next few days. I said that if there were the remotest chance of collaboration on the part of the United States it would be in connection with measures which public opinion in America would regard as real and not as face-saving devices. Coulondre said he understood this and thought it would be better policy if the United States and other non-members were only asked to participate after definite projects had been worked out. Massigli agreed and intimated that he would express this opinion to the British.

During this conversation both Massigli and Coulondre were expressing their personal views and at times thinking out loud. I made

[45] Not printed.
[46] Department of State, *Press Releases*, October 5, 1935, p. 255.

it clear that I had no instructions on any of these matters nor did I know what my Government's opinion was in this connection.

2. General political matters. Massigli thinks that a lot of Italian money has been spent on the French press; that its present tone was also brought about by the sudden realization of the gravity of the issues. It was one of those waves which rise and fall in the passage of time. There was no doubt in his mind or in that of Coulondre that whenever there was a choice between England and Italy, France had to side with England, that France's primary political necessity was the real application of the Covenant.

Massigli had no knowledge of any basis for the newspaper reports that events were tending to a resumption of negotiations with Mussolini. The British had taken the sound position that negotiations must be carried on under the League of Nations which would not of course prevent conversations between Ministries in anticipation of such negotiation. No reports had come from Mussolini as far as Massigli knew which would justify the hope that negotiations were imminent.

Without precise knowledge Massigli believes the British were making progress in discussions with the Germans in regard to economic sanctions. He also expressed the opinion that the exchange of correspondence between the French and the British Governments shows that they are on the road to a "real entente".

WILSON

765.84/1686 : Telegram

The Minister in Switzerland (Wilson) to the Secretary of State

GENEVA, October 9, 1935—11 a.m.
[Received October 9—9 : 35 a.m.]

325. My 323 October 8, 5 p.m. On the matter of the possible invitation to us to cooperate in some form with the work of the Committee of Coordination I venture to lay before you certain pros and cons.

Arguments in favor of participation. The discussion on economic sanctions involving, as it well may, rationing readjustment and canalisation of the world movement of important raw materials may take on aspects of general economic importance, may affect directly our own trade policy and possibly offer opportunities of constructive as well as of limiting purpose from the development of which we might find it disadvantageous to be absent. More specifically there is always a certain risk involved in letting the other states of the world make arrangements and arrive at conclusions which are eventually offered to us on a take it or leave it basis. The presence of an American in these discussions might shape the result more to our liking than might otherwise be the case and would afford us an opportunity to

estimate the reality of intention and the effectiveness of the measures under discussion.

Certainly as Massigli and Coulondre analyzed the situation, the inescapable conclusion of their thought is that the states of the League can apply effective pacific means of pressure only with the cooperation of the United States. If the states of the League fail to obtain American cooperation for the application of effective pacific sanctions they are driven to consider the establishment of a blockade of Italy or the East African Italian provinces to which they now feel that the United States would offer no serious objections. To their minds—and in this I believe they are right—the establishment of a blockade could only lead to the spread of hostilities. Thus if we refuse to collaborate the sentiment may grow among European states that the reluctance or inability of the United States to aid in pacific means for terminating the war has driven them squarely to the unhappy alternative of using force. Of course it may be and many think it likely that the Committee will soon find agreement impracticable and that the Assembly will have to face blockade measures whether or not we participate.

Massigli said that it was contemplated that the Committee of Coordination is to be a political rather than a technical committee although technicians will be present to give their aid. If you should contemplate a form of participation I should appreciate the opportunity of expressing views on the type of representation.

Arguments against participation. The complexities of the application of economic sanctions grow more bewildering as one endeavors to think them out. We are not certain of the ultimate purposes in the minds of any of the delegates or of their national policies. We do not know how far they are actuated by determination to stop the war or how far they are actuated by the desire to go through the forms of the Covenant obligations without jeopardizing their relations with Italy. If they were all actuated by the first motive it would still be a considerable period of time I think before definite projects towards embargoes could be worked out and accepted.

Further I take it that our public opinion is determined at all costs that we should not be brought into war. With all the will in the world to the contrary economic sanctions bring definite danger of armed conflict. Our participation in the development of these sanctions might carry along with it implication of future danger from which our people naturally recoil.

The invitation may come immediately, hence I have offered these preliminary reflections in the hope that it may be helpful to you to see how the situation appears in Geneva. I have tried to analyze the possibilities as objectively as possible.

WILSON

765.84/1686 : Telegram

The Secretary of State to the Minister in Switzerland (Wilson)[47]

WASHINGTON, October 9, 1935—9 p.m.

188. Your 325, October 9, 11 a.m. and Gilbert's 448, October 8, 4 p.m. and press reports emanating from Geneva and other sources indicate that it is intended by the League to invite the non-member States to join in the discussion of the question of sanctions. Of course others would be in a better position than we to know the willingness or unwillingness of other nonmember States to join in such discussions. For our own part it should be increasingly clear that we have brought to bear all the support and influence we could to preserve peace; that our position now is that of determination not to be involved in war; that in carrying out this policy we will not be unmindful of nor overlook any measures that we may be able to take consistent with our policy. In view of our position as shown by our utterances and acts up to the present, fully supported by the public sentiment of this country, we consider that it would be advisable from every standpoint for the League to realize that we have already taken definite steps in line with our own policies and limitations, which include long steps in restricting financial and trade relations with the belligerents, and that we are disposed to pursue our course independently in the light of circumstances as they develop. These steps should be an indication of our course and attitude. From this point of view, it would seem unnecessary and certainly at the present stage inadvisable from our point of view to ask us to participate in such committee as may be set up to deal with sanctions.

We feel that it would be useful for you to convey the sense of the above orally and very discreetly to the Secretary General and any of the delegations in Geneva whom you consider it wise to inform. We are repeating this telegram to Paris and London for their discreet use in informing the respective Foreign Offices.

HULL

765.84/1722 : Telegram

The Minister in Switzerland (Wilson) to the Secretary of State

GENEVA, October 10, 1935—7 p.m.
[Received 7 : 35 p.m.]

326. Your 188, October 9, 9 p.m. I limited my discussion to Avenol, Laval and Eden. Their views were all in accord and would probably be decisive. I felt that further discussion was unnecessary and might give rise to publicity.

[47] This telegram quoted to the Chargé in France as No. 411, October 9, 9 p.m., with instructions to repeat to London as Department's No. 293.

Avenol said that he had always been of the opinion that it was a mistake to push for United States cooperation. It would be always welcomed by the League but only when it was equally welcome to America. He therefore had consistently taken the position that he would not acquiesce in the issue of such invitation unless and until I had indicated to him that it would be agreeable.

Laval admitted that he had not given the matter much thought but stated that he much appreciated [my?] presenting the question in this way to him and that henceforward if the matter of an invitation were raised he would take the position that he considered it inopportune.

Eden said that he had been particularly careful not to take any steps which could embarrass the United States and that he had reached the conclusion before I spoke to him that it might be embarrassing to us to have an invitation issued. Now that he was apprised of our views he would oppose issuing the invitation.

WILSON

765.84/1942a : Telegram

The Secretary of State to the Chargé in France (Marriner)

WASHINGTON, October 12, 1935—2 p.m.

420. The following condensed commentaries on the Italo-Ethiopian dispute from our Missions in Geneva and London are sent to you as an appraisal of the current situation as viewed from those two points.

(1) In a telegram dated October 10 [48] Minister Wilson indicated that he had presented our point of view regarding non-participation in Coordination Committee to Avenol, Laval, and Eden, all of whom will oppose invitation being extended to us.

In a subsequent message Wilson reported that Eden stated that on inquiry from London he had replied he thought the Paris Pact [49] might usefully be put in motion. He hopes for prompt action of Coordination Committee on a few simple measures, namely, arms and credit embargo and undertaking not to buy from Italy. British are now working on French to obtain agreement to these measures. Refusal to buy would be effective even without cooperation of non-Member States and would reduce Italian exports trade about 70%. French, on contrary, were pushing embargo on key products which Eden thinks would take eternity and incidentally not affect French products. Laval confirmed to Wilson French position in favor of embargo on key products, claiming it could be done effectively, although not excluding export embargo. Laval still hopes for agreement acceptable

[48] *Supra.*

[49] *Foreign Relations*, 1928, vol. I, p. 153.

to Italy, adding confidentially that he believes League action has already considerably modified Italian opinion and put Mussolini in frame of mind propitious for opening negotiations and accepting considerably less than formerly demanded.

Avenol considers most serious danger lies in inability to stop war once begun. Even if France, Great Britain and Italy come to terms, Ethiopian Emperor and tribal chieftains would still have to be reckoned with. Avenol does not believe in the possibility of the one small victory idea.

Japanese Minister at Bern has been instructed that Japan would not participate in Coordination Committee; as to possible sanctions, Japan prefers to see what form they take before expressing opinion.

(2) Ambassador Bingham in a telegram from London dated October 10 [50] emphasizes the influence of forthcoming elections—probably before December—in strengthening British stand at Geneva. After elections, there may be revision of British policy. Italian Ambassadors in London and Paris last week, presented personal message from Mussolini indirectly inquiring whether the three Governments could not reduce tension in present circumstances. Hoare considered himself prohibited from giving answer on account of the nature of the suggestion which amounted to seeking a solution outside of the League. Bingham states that he is reliably informed that the Pope has let it be known in London and Paris that he would be willing to act as mediator between Italian demands and Franco-British proposals. There are rumors that Italy has transferred important sums of gold to Germany against future purchases. Japanese Embassy is reported to have considerably augmented its commercial staff at Rome. Increased nervousness over outlook during pre-election period in well informed financial and semi-official circles is reported.

Repeat entire telegram to Rome and paragraph No. 2 to Geneva.

HULL

765 84/1847 : Telegram

The Consul at Geneva (Gilbert) to the Secretary of State

GENEVA, October 15, 1935—8 p.m.
[Received October 15—4 p.m.]

508. As I have reported in recent telegrams, discussions in various bodies held here indicate considerations respecting some approach being made to non-member states in regard to measures being taken here. While I believe that the question of an invitation to participate in the Committee of Coordination has been definitely dropped, preoccupations are in evidence concerning either "officially" transmitting the records of the proceedings of the Committee of Coordination to

[50] Not printed.

non-member governments or of transmitting a summary program of League action especially prepared for the governments concerned; in either case the covering communication might call for reply as to the attitude of the government thus addressed. While I have no definite knowledge how the Department views the prospects of such a development, if I correctly understand our legal position, we are directly limited in taking action along the lines of certain of the measures now being formulated here. If this be the case it is to be presumed that our reply to such a communication would either have to be a simple acknowledgement of the material forwarded or a negative response as the case might be.

In respect of this I venture to state that it would seem to me that, aside from the limiting effects on our future action which public opinion at home might create by a misinterpretation of any formal exchanges between ourselves and the League in such a juncture as this, the receipt here of either types of reply from us, such as I have mentioned, would be of no advantage in the situation as it exists here and might have a definitely adverse effect.

From the intimations of your policy which I gather from Department's 120, October 12, 9 p. m., third paragraph,[51] I shall for the moment unless I am instructed to the contrary informally discourage when approached on this matter our being placed in the position at this time of having to respond to any formal communication on this subject. The imminence of the possibility of our being addressed in some manner in this matter may suggest to the Department the desirability of taking more definite steps.

There is in this I presume the possibility that certain steps which may be taken here might involve a juridical obligation on the part of the states taking them to notify non-member states of such action in its relations to their interests.

GILBERT

765.84/1847 : Telegram

The Secretary of State to the Consul at Geneva (Gilbert)

WASHINGTON, October 17, 1935—6 p.m.

129. Your 508, October 15, 8 p.m. It is important that, if possible, daily newspaper rumors and reports from Europe about the attitude

[51] Telegram not printed; it referred to news reports which gave the impression that the Secretary of State was "establishing a closer and more direct relationship and communication with the League in connection with developments in the Italo-Ethiopian situation." The third paragraph read:

"You will, of course, understand that this is directly contrary to the policy of entirely independent action which we have so carefully built up and maintained and in which we have been widely supported by public opinion. I consider it of primary importance that no erroneous impression interfere with this policy." (125.3973/214a).

or policy of this Government toward some phase of the Italo-Ethiopian controversy, and especially reports that foreign governments or agencies are just about to inquire of this Government whether it can or will cooperate with foreign Governments or peace agencies in one way or another, shall be minimized to the greatest possible extent. My opinion is that you can anticipate most of these and head them off by casually and unofficially imparting all permissible information relative to our present and prospective course and attitude. Every leading official abroad knows that prior to the outbreak of the war our chief purpose was to aid in preserving peace, whereas after hostilities began our chief object is and will be to avoid being drawn into the war.

The lengthy succession of acts and utterances by this Government in an attempt to preserve peace should be well known in every foreign office and at Geneva. Our numerous steps taken after the outbreak of hostilities primarily and paramountly to keep out of the war, although incidentally and consciously calculated to be very helpful in discouraging a protracted war or spread of the war, should likewise be well known abroad. This Government preceded others in declaring that a state of war exists, in enforcing embargo on arms, ammunition and implements of war, in refusing Government credit in support of trade transactions, in warning all Americans that any transactions of whatever nature with the belligerent countries would be at their own risk, and that Americans traveling on ships of the belligerent countries would do so at their own risk, and finally in my public statement of October 11 it was made certain that the influence and attitude of this Government under the foregoing policies was definitely to discourage any and all economic transactions between our nationals and those of the belligerent countries. The American public is making a satisfactory response to the policy thus indicated.

Subordinate to this major policy of not being involved in war, this Government is keeping thoroughly alive its definite conviction that it and all nations have a real interest in peace in every part of the world, and hence a special corresponding interest and obligation to contribute to the cause of peace in every practical way consistent with our well known foreign policy of non-involvement or entanglement. The numerous acts and utterances of this Government, both before and after the outbreak of hostilities, offer definite and clear index of the course and attitude of this Government relative to the Italo-Ethiopian controversy in the future.

Foreign Governments and peace agencies are familiar with the extent and limitation of statutory authority of this Government to deal with the various phases of the existing war situation. It must be clear to them by this time that this Government is acting upon its

836401—53——60

own initiative and proceeding separately and independently of all other Governments or peace organizations. It is also important to keep in mind that in some vital respects the policy of this Government to the extent based upon the discretion of the President is intended primarily to apply to the present specific Italo-Ethiopian situation rather than as an inflexible and permanent policy. The purpose is to meet and deal effectively with conditions and circumstances as they may arise.

It is essential, therefore, that our representatives refrain from attempting to define in advance the attitude or policies of this Government.

You have an excellent opportunity to anticipate the possible circulation of disturbing rumors and reports about the supposed attitude, present or prospective, of this Government, and especially the frequently reported disposition of Governments or the League to make public inquiries of this Government relative to the same, when only injurious confusion and complications might thereby be created.

In transmitting copy of this telegram to the Minister refer to conversation with Massigli reported in his 331, October 15, 5 p.m.[53]

Repeat to London, Paris and Rome.

HULL.

765 84/1995 : Telegram

The Minister in Switzerland (Wilson) to the Secretary of State

GENEVA, October 20, 1935—noon.
[Received October 20—9 : 40 a.m.]

336. Supplementing Consulate's 527, October 19, 11 p.m.[53] I learn that at the close of the private meeting of the Committee of Eighteen yesterday evening Vasconcellos, chairman, circulated a proposed statement to be made by the chairman at the public meeting immediately following, relating to the position of non-member states in the controversy. The statement argues (*a*) "community of interests material and moral" of non-members and reads in part:

"Those which are not members of the League are, nevertheless, parties to the Pact of Paris which calls for the settlement of all disputes by peaceful means and for the renunciation of war as an instrument of national policy, a document which without question is deeply involved in the present dispute."

The final paragraph reads:

"The record speaks for itself. We must leave it to the conscience of each state non-member of the League to decide in how far it shares

[53] Not printed.

our common purposes and in how far it is willing to cooperate in action similar to ours."

The Committee felt that the implications of this document were so important that it declined to discuss it at such a late hour and the chairman withdrew the statement. Nevertheless, in view of conversations respecting the Kellogg Pact, I think the episode may be interesting to you.

WILSON

765.84/2031 : Telegram

The Minister in Switzerland (Wilson) to the Secretary of State

[Extract]

GENEVA, October 21, 1935—8 p.m.
[Received October 21—7:30 p.m.]

338. I have this evening received a communication addressed to the Secretary of State by the President of the Committee of Coordination reading as follows:

"Sir: As President of the Committee of Coordination of measures to be taken under article 16 of the Covenant I have the honor to transmit herewith to states non-members of the League, in accordance with the decision of the Coordination Committee formed as the result of the recommendation adopted by the Assembly on October 10, the principal recent documents in the Italo-Ethiopian dispute, including the minutes of the Council of October 7,[54] the minutes of the Assembly of October 9 to 11 [55] and the recommendations of the Coordination Committee.[56]

I am instructed to add that the Governments represented on the Coordination Committee would welcome any communication which any non-member state may deem it proper to make to me, or notifications of any action which it may be taking in the circumstances.

I have the honor to be, Sir, your obedient servant, Augusto de Vasconcellos, President of the Committee."

The documents attached to this communication are as follows:

[Here follows list of League Documents previously submitted to the Department.]

Texts being mailed Steamship *Berengaria* Ocober 23.

[File copy not signed.]

[54] Minutes of the 89th session of the Council, League of Nations, *Official Journal*, November 1935, p. 1173.

[55] *Ibid.*, Special Supplements Nos. 145–150.

[56] *Ibid.*, Special Supplement No. 145, pp. 7 ff.

765.84/2045 : Telegram

The Consul at Geneva (Gilbert) to the Secretary of State

GENEVA, October 22, 1935—6 p.m.
[Received October 22—12:50 p.m.]

539. Delegation's 338, October 21, 8 p.m. I am informed by the Secretariat that this communication is also being sent to the following states: Germany, Saudi Arabia, Brazil, Costa Rica, Danzig, Egypt, Iceland, Japan, Liechtenstein, Monaco.

GILBERT

765.84/2184

Memorandum by the Under Secretary of State (Phillips)

[WASHINGTON,] October 22, 1935.

The Italian Ambassador said that he was making his call this morning knowing that I was not in a position yet to give him any definite information with regard to the nature of our reply to the inquiry of the Committee of Coordination of the League. He said, however, that his duty, as ambassador, was to call at the State Department and to receive whatever impression I felt that I could convey to him, that other Italian Ambassadors in other capitals were on the same errand and that he had, as a matter of fact, received this morning telegrams from Rome, indicating the nature of the replies which had been received from other capitals.

I said that the communication from Geneva was received here late yesterday and had only reached our desks this morning, that we were studying it and considering the nature of our reply; beyond that I could say nothing because there was nothing to communicate with any certainty or any degree of intelligence. The Ambassador replied that he fully expected that this would be the case and he did not pursue his inquiry any further. He mentioned that the Italian representatives in Argentina and in Brazil had both reported a hesitation on the part of those Governments to apply any sanctions, in spite of their votes in favor of sanctions in Geneva. Signor Rosso referred especially to the case of the Argentine Government, which felt, for various reasons,—those of policy and practicability—that it would be difficult for Argentina to go forward with other states members of the League in whatever decision they should reach with respect to sanctions. The Italian Government's information from Berlin showed uncertainty as to whether Germany would cooperate with the League; the Italian representative there had reported a feeling in German circles that the application of sanctions would even further complicate the economic and political situation in Europe, but that no decision had yet been taken.

The Ambassador referred to his last conversation with me on October 16th,[57] during which he had expressed his opinion that this Government was, in fact, applying sanctions to Italy. As tending to support this opinion, the Ambassador referred to a report from the Italian representative in Geneva at the time when the question of the refusal of credits to Italy was being discussed. It appears that, during these discussions, the British representative had reminded those present that the United States had adopted a definite attitude with regard to the extension of credit and that the League members must not, on any account, fall behind what the United States had already done. In other words, the Italian representative in Geneva had reported to his Government that the League members intended to follow the decision already taken by the United States in the matter of credit extension. Signor Rosso said that he was puzzled when he had received this report because he did not know of any action taken by this Government other than the Johnson Act,[58] which, of course, when passed, did not apply to this emergency, but he supposed that it was the response of American banks to the general warning put out by this Government to discourage commercial relations with the belligerents, which was responsible for Geneva's impression. I said that the Ambassador was correct in thinking that we had taken no steps whatsoever beyond those he had in mind, which applied to both belligerents. I reminded him that the inquiries of the Treasury, through the Federal Reserve Bank of New York, applied to both belligerents and were merely a Treasury check, in order to guard against any possible undermining of the President's Proclamation.

The Ambassador then referred to a telegram just received, indicating that the British Government was preparing to put pressure on the Government of Egypt to remove Italy from the enjoyment of capitulatory rights. This Signor Rosso regarded as another attempt to apply a damaging sanction to Italy. The Italian Ambassador in London had been instructed to approach the Foreign Office and to remonstrate against any such move on the part of Great Britain and, in doing so, to point out that the whole set-up of capitulatory rights enjoyed by other nations would be greatly weakened if Egypt undertook to drop Italy from the enjoyment of such privileges.

Signor Rosso said he was giving us this merely as a matter of information and as surely of interest to us.[59]

Before he left I asked the Ambassador how he felt about the present situation and whether he was more hopeful as a result of the reports today from abroad. He said undoubtedly there was a "détente" in the situation and that the assurances and explanations which had been

[57] See memorandum by the Under Secretary of State, October 16, p. 807.
[58] April 13, 1934; 48 Stat. 574.
[59] For further correspondence on this subject, see pp. 565 ff.

given by the British Government with regard to the British Fleet now in the Mediterranean had undoubtedly had a very calming influence on the Italian public. At this point I read to the Ambassador the press flashes just received of Sir Samuel Hoare's speech this morning in the House of Commons. These assurances of Sir Samuel, the Ambassador thought, would certainly tend to help the situation.

WILLIAM PHILLIPS

765 84/2031 : Telegram

The Secretary of State to the Minister in Switzerland (Wilson)

WASHINGTON, October 26, 1935—2 p. m.

193. Your 338, October 21, 8 p. m. You are instructed to make the following reply to the communication addressed by the President of the Committee of Coordination to the Secretary of State:

"His Excellency Dr. Augusto de Vasconcellos,
President of the Committee of Coordination,
League of Nations, Geneva.

Excellency: I have received your communication of October 21, transmitting certain documents in the Italo-Ethiopian dispute, including the minutes of the Council of October 7, the minutes of the Assembly from October 9 to 11, and the recommendations of the Coordination Committee, for which I desire to express appreciation.

In regard to your statement that the governments represented on the Coordination Committee would welcome any communication which any non-member state may deem it proper to make to you, or notifications of any action which it may be taking in the circumstances, it is, of course, well known that the Government and people of the United States are deeply interested in the prevention of war, and hence in the sanctity of treaties and promotion of peace in every part of the world; that as a corollary to their abhorrence of war, with the human sufferings, the impoverishment of states and peoples, business dislocation and embittered feelings engendered by warfare, we are by tradition strong proponents of the principle that all differences between members of the family of nations should be settled by pacific means.

I need only call attention to the Hague Convention of 1907 for the Pacific Settlement of International disputes,[60] the Pact of Paris,[61] in the negotiation of which the Government of the United States played an important part, the Anti-war Pact[62] sponsored by the Argentine Government and signed at Rio de Janeiro on October 12 [*10*], 1933, and the various conventions of conciliation and arbitration to which the United States is a party. These instruments of peace impose upon all nations parties thereto most solemn responsibilities, and no nation can look with complacency upon their non-observance.

[60] *Foreign Relations*, 1907, vol. II, p. 1181.
[61] *Ibid.*, 1928, vol. I, p. 153.
[62] *Ibid.*, 1933, vol. IV, p. 234.

As regards the situation now unhappily existing between Ethiopia and Italy, I may point out that the Government of the United States put forth every practicable effort to aid in the preservation of peace, through conferences, official acts, diplomatic communications and public statements, and emphasized particularly the principles of the Pact of Paris and the high legal and moral obligations of the signatories thereto. This Government repeatedly expressed its anxiety and the hope that the controversy would be resolved without resort to armed conflict and the conviction of the entire nation that failure to arrive at a peaceful settlement of the dispute and the subsequent outbreak of hostilities would be a world calamity.

When, however, it was found that hostilities actually existed between Ethiopia and Italy, this Government, acting on its own initiative, promptly announced a number of basic measures primarily to avoid being drawn into the war, and which also would be not without effect in discouraging war.

The President of the United States on October 5, 1935, issued a proclamation [63] bringing into operation under an Act of Congress an embargo on the exportation of arms, ammunition and implements of war to both belligerents.

The issuance of this proclamation automatically brought into operation another provision of the Act of Congress making it unlawful for any American vessel to carry arms, ammunition or implements of war to any port of the belligerent countries or to any neutral port for transshipment to or for the use of either of the belligerents.

On the same day the President issued a further proclamation [64] warning American nationals against travel on belligerent vessels and stating that such travel would be at their own risk.

In addition to the three measures just mentioned, the President took a fourth and most important step by issuing a public statement definitely warning American citizens against transactions of any character with either of the belligerent nations except at their own risk.

This statement was later emphasized when I publicly pointed out that the warning given by the President 'certainly was not intended to encourage transactions with the belligerents' and that 'our people might well realize that the universal state of business uncertainty and suspense on account of the war is seriously handicapping business between all countries, and that the sooner the war is terminated the sooner the restoration and stabilization of business in all parts of the world, which is infinitely more important than trade with the belligerents, will be brought about' and that 'This speedy restoration of more full and stable trade conditions and relationships among the nations is by far the most profitable objective for our people to visualize, in contrast with such risky and temporary trade as they might maintain with belligerent nations.' [65] This policy with respect to transactions with the belligerents I now reiterate and reaffirm.

These steps have been taken for the purpose of dealing with this specific controversy and the special circumstances presented.

The course thus pursued in advance of action by other governments most of which are parties to one or more of the peace pacts to which

[63] No. 2141; Department of State, *Press Releases*, October 5, 1935, p. 251.
[64] No. 2142; *ibid.*, p. 256.
[65] Statement by the Secretary of State, October 10, p. 803.

I have referred, represents the independent and affirmative policy of the Government of the United States and indicates its purpose not to be drawn into the war and its desire not to contribute to a prolongation of the war.

Realizing that war adversely affects every country, that it may seriously endanger the economic welfare of each, causes untold human misery, and even threatens the existence of civilization, the United States, in keeping with the letter and spirit of the Pact of Paris and other peace obligations, undertakes at all times not only to exercise its moral influence in favor of peace throughout the world but to contribute in every practicable way within the limitations of our foreign policy to that end. It views with sympathetic interest the individual or concerted efforts of other nations to preserve peace or to localize and shorten the duration of war.

Accept, Excellency, the assurances of my highest consideration.

Cordell Hull"

We are releasing for Sunday morning papers.

HULL

765.84/2263 : Telegram

The Minister in Switzerland (Wilson) to the Secretary of State

GENEVA, November 2, 1935—10 a. m.

[Received November 2—6 : 39 a. m.]

343. The following communication addressed to the Secretary of State was delivered to me this morning.

"Sir: I have the honor to acknowledge your reply of October 26th to my communication of October 21st on behalf of the Coordination Committee, forwarded to me by the Honorable Hugh R. Wilson, American Minister in Switzerland, and to inform you that I at once transmitted it to the members of the Committee.

May I express the deep appreciation which I personally feel and which I am sure the other members of the Coordination Committee share, of the spirit animating your communication. I have the honor to be, Sir, your obedient servant, Augusto de Vasconcellos, President of the Coordination Committee."

The text of this reply is being given to the press here this morning.

WILSON

765.84/2349b : Telegram

The Acting Secretary of State to the Minister in Switzerland (Wilson)

WASHINGTON, November 4, 1935—7 p. m.

195. Press despatches this morning report that Coordination Committee's subcommittee is considering proposal to prohibit shipments to Italy of coal, iron, steel and oil and that there is a feeling in League

circles that Berlin and Washington will be sounded out on attitude of the respective governments on this step.

I consider it advisable that you make clear orally to any of the representatives of the governments or the League who might be contemplating making inquiries of this Government with regard to these commodities that you assume that the policies of this Government with regard to keeping out of the war and with regard to its duties and obligations in connection with the Kellogg Pact and other international agreements for the preservation of peace are well known and thoroughly understood. You might also refer again to the steps this Government has taken in conformity with the neutrality resolution of Congress and, further, you might well point out that the President and the Secretary of State have publicly warned American citizens against the extension of transactions of any character with either of the belligerent nations. You might say also that in the face of the independent actions of this Government you do not believe that anyone would wish to precipitate a controversy over here and inject confusion into the situation by querying us with regard to any action we might take with respect to any particular commodity in connection with the program under discussion or contemplated by the states members of the League.

As applying to this possible situation, I refer you to our 129, October 17, 6 p.m. to the Consulate a copy of this present telegram also to be furnished to the Consulate.

PHILLIPS

765.84/2416

Memorandum by the Chief of the Division of Western European Affairs (Dunn)

[WASHINGTON,] November 5, 1935.

As Mr. Phillips was otherwise engaged when the telephone connection which he had earlier requested was established with Mr. Hugh Wilson at Geneva, he asked me to take over the communication. I gave Mr. Wilson a message in the following sense in connection with the reported possibility of an approach to this Government by the Coordination Committee with regard to the prohibition of shipments to Italy of coal, iron, steel and oil:

There is one point upon which we feel that you should know our thoughts, that is, that we consider that the President probably has no legal authority to prevent the exportation to belligerents of materials other than those included in his proclamation of October 5 on arms, ammunition and implements of war.

In order that we may maintain our independent position in carrying out the policies we have adopted toward this situation, it is extremely important that there be no request to us at this stage for information with regard to any action we might take with regard to the shipment of any specific commodities. We feel sure that you will make every effort to make our position clear in this regard.

A situation might conceivably arise in which, after concerted action taken by the League member states prohibiting the shipments of any particular commodity or group of commodities to Italy, this country might become the chief source of supply of one or several of such commodities, thus becoming a factor in prolonging the war. In the presence of a situation of that kind, where American citizens were thus obviously furnishing the means for prolonging the conflict, there would no doubt become evident a revulsion of feeling throughout the United States against such an action by American citizens, thus bringing about a strong independent action by this Government to prevent this country's becoming a part[y] to an extension of the war. But the important factor in this whole situation was that any development in our policy must be left to the free and independent action which might be taken in the light of circumstances which would be considered from our own point of view and our own national policies.

Mr. Wilson stated that he had already informed all those interested in Geneva that in his own opinion the President did not have sufficient legal authority under the neutrality resolution of Congress to add any further articles or commodities to the list contained in his proclamation of embargo of arms, ammunition and implements of war on October 5.

Mr. Wilson further stated that he had already, even before receiving our telegram of yesterday on the subject, taken up with three or four of the more important members of the Coordination Committee and with the Secretary of the Committee the matter of avoiding any approach to this Government by the Committee in connection with their plans for an embargo on certain commodities. He said that he was satisfied now that any communication sent to us would merely inform us of the proceedings of the Committee with regard to commodity embargoes and would contain no request for action on our part. I asked if he felt that the Committee members were going to insist upon communicating with us in the premises and he said he was sure they felt they must inform us of the articles embargoed, if nothing more, as they considered it important that the non-member states at least be informed of their action.

I then asked Mr. Wilson if it would be possible to have the communication which the Committee might send addressed to him as American Minister to Switzerland rather than to the Secretary of

State here in Washington. He said he thought this might be possible and he would get to work on the suggestion immediately. I then went over the ground again very briefly of the importance of our taking any action whatever with regard to the situation in Geneva entirely from the standpoint of our own policy and independent of any action there. I pointed out that the Government's policy here had received and was receiving almost unanimous support in this country which was a very important factor in the situation and that as things developed in Geneva it was very possible that additions and modifications could be made to our position appropriately to meet new situations. I said there was one important element which we had had very much in mind during the progress of these recent occurrences and that was that any solution to the controversy, we hoped, would be a just and equitable settlement. Mr. Wilson said that he himself had had that very much in mind and was watching very carefully developments in every direction which would throw any light upon that phase of the situation.

I asked Mr. Wilson if there were any negotiations going on at present with respect to a solution of the difficulty. He said that as far as he knew there was nothing going on at all at present and that the only matters being discussed at present were the sanctions and their method of application.

I told Mr. Wilson that this conversation was entirely for the confidential information of himself and of Mr. Gilbert, to whom I asked him to convey the sense of the points brought out in our talk.

JAMES CLEMENT DUNN

765.84/2347 : Telegram

The Minister in Switzerland (Wilson) to the Secretary of State

GENEVA, November 6, 1935—11 a.m.
[Received November 6—9 a.m.]

349. Reference telephone conversation with Dunn and last paragraph my 318, November 5, 7 p.m.[66] The Subcommittee is discussing today the question of what shall be done if large increases in shipments to Italy are shown by states not participating in the embargoes. It occurs to me that it would be helpful to the situation here, might stave off action by the Committee which would prove embarrassing to us, as well as being helpful as to the German situation, if you could make immediate announcement that you expect to give publicity to shipments to the belligerents.

In order that this should have the desired effect it is important that it should be done at once, preferably before the meeting of the Com-

[66] Not printed.

mittee of Eighteen scheduled for 6 this afternoon. In the event that you feel able to do it you may desire to telephone me at the earliest moment so that I can let it be known here that you are making the announcement.

WILSON

765.84/2347 : Telegram

The Acting Secretary of State to the Minister in Switzerland (Wilson)

WASHINGTON, November 6, 1935—11 a.m.

196. Your 349, November 6, 11 a.m. Department of Commerce regularly and ordinarily collects and publishes careful and full details of American import and export trade with all countries. Hence the full details of our trade with belligerents will be available promptly.

PHILLIPS

765.84/2386 : Telegram

The Minister in Switzerland (Wilson) to the Secretary of State

GENEVA, November 7, 1935—11 a.m.
[Received November 7—6 : 18 a.m.]

352. Letter signed by Vasconcellos, President of Committee of Coordination, addressed to me dated November 6, reads as follows:

"I have the honor to transmit to you herewith, in accordance with the decision of the Coordination Committee, the resolutions and decisions adopted at the close of its second session on November 2,[68] the minutes of that meeting,[69] and the replies of governments to the five proposals adopted during the first session.[69] I would be grateful if you would be good enough to transmit this documentation to the Secretary of State in Washington.

I need not add that I continue to be at the disposal of the United States Government, in accordance with my letter of October 21, addressed to the Secretary of State."

Coordinate letter and enclosures being forwarded by mail steamship *Berengaria* sailing 13th.

WILSON

765.84/2633 : Telegram

The Minister in Switzerland (Wilson) to the Secretary of State

BERN, November 20, 1935—11 a.m.
[Received November 20—9 : 45 a.m.]

353. Yesterday Vasconcellos called on Mayer[70] in Geneva in my absence and spoke informally on the question of the extension of

[68] League of Nations, *Official Journal*, Special Supplement No. 146, pp. 7–13.
[69] *Ibid.*
[70] F. L. Mayer, on League Advisory Committee, Colombian-Peruvian dispute.

the embargo of key products (Canadian proposal, see Gilbert's 582, November 6, noon [71]). Vasconcellos wanted you to know that the American position was considered here to be most helpful and was greatly appreciated. He is also pleased with the attitude Germany has adopted. Nevertheless, he is now in a quandary as to whether to call the Committee together in order to extend the embargo. On the one hand he is fearful that the League will be charged with hesitancy or vacillation if it does not act following your statement of last Friday and recent German pronouncements. On the other hand calling the Committee might jeopardize negotiations which the British or French or both are carrying on with Mussolini. Vasconcellos recognizes that under the phraseology of the resolution it is probably his duty now to summon the Committee of Eighteen with a view to the extension of the embargo but Mayer gathered that he considered it wise to defer any immediate step in this direction.

I am visiting Geneva Thursday and at Vasconcellos' request I expect to see him at that time.

Cipher to London, Rome, Paris.

WILSON

765.84/2633 : Telegram

The Secretary of State to the Minister in Switzerland (Wilson)

WASHINGTON, November 20, 1935—7 p.m.

76. Your 353, November 20, 11 a.m. The completely independent course being followed by the United States should by now be well understood in Geneva. Any procedure in connection with any part of the program of the Coordination Committee or Committee of Eighteen would, of course, have no relation to any action by this Government taken in accordance with our well-established policy of non-entanglement and neutrality. There would certainly seem to be no reason for Vasconcellos to approach you in this matter in view of our well-known position.

HULL

765.84/3016½

Memorandum of Trans-Atlantic Telephone Conversation [72]

MR. DUNN: We had a despatch this morning on the United Press. Shall I read it to you?

MR. ATHERTON: Yes.

MR. DUNN: It is as follows:

[71] Not printed.

[72] Between Mr. Dunn in Washington and Mr. Atherton in London, November 27, 1935, at 2:50 p. m.

"The assurance to the U. S. regarding action on oil sanctions at Geneva said the Penalties Committee of 18, which was to have met at Geneva on Friday,[73] will meet soon, probably on Dec. 5. The information was conveyed to Washington after Ray Atherton, Counsellor of the U. S. Embassy, visited Sir Samuel Hoare, Foreign Secretary, on Monday.

"Atherton asked the reasons for postponement of Friday's meeting and was told it was at the request of the French Government. Then, fearing that the United States would feel it was being 'left out on a limb' on sanctions, Sir Samuel gave Atherton the assurance."

The point is this, there is another despatch from United Press saying:

"London—The British Government has officially assured the U. S. that the imposition of the oil embargo against Italy will be considered at Geneva shortly."

Now, I am going to read you a memorandum which we have prepared. Can you take some notes? The Secretary has asked me to take this up with you. The memorandum reads as follows:

"We are not sensitive about our relations with our friends in London or other capitals, but, as you know, we have from the outset been conducting an independent program with regard to the action by this Government with respect to the Italo-Ethiopian controversy. We have had no agreement either directly or indirectly, nor any communication or exchange of views with any Government or group of Governments or any Peace Agencies with regard to our policies with respect to that conflict.

"The manner in which this despatch is framed gives the opposition in this country an opportunity to charge that we are working in agreement with the League or with other Governments, such as England. We naturally expect to receive reports about what is going on, but the use of the word 'assurance' looks to the opposition here like acting in agreement with some other Governments. In order to obtain our complete independence of action we have even refrained from calling in advance for any information with regard to acts of other Governments, nor have any other Governments or groups of Governments attempted to obtain previous information with regard to what we intended to do.

"It would be advisable for you to get in touch with the UP and perhaps the AP representative and any other representatives of the press you might consider should be included and explain to them that with regard to your visit to the Foreign Office you neither sought nor received assurances as the independence of the American policy with regard to the Ethiopian situation in itself precluded any such communication of that kind with or from the British Foreign Office."

MR. ATHERTON: Of course, you know the interview never took place; I never saw Sir Samuel Hoare.

MR. DUNN: You haven't seen him?

MR. ATHERTON: No, not for over two weeks.

[73] November 22.

MR. DUNN: Well, did you go to the Foreign Office?

MR. ATHERTON: Yes, I went to the Foreign Office about the Franco-British disagreement.

MR. DUNN: You went to the Foreign Office, and what happened there?

MR. ATHERTON: I went to the Foreign Office and asked as to the truth of the Franco-British disagreement and they read to me a statement from Geneva saying that Laval had asked that the Friday meeting be postponed. I asked if that had been communicated to Washington, and they said no. I said that I thought it might interest Washington very much.

MR. DUNN: Yes, I see.

MR. ATHERTON: That is the whole conversation, which took place with one of the secretaries.

MR. DUNN: I understand. Here is the point—

MR. ATHERTON: In the first place, the whole thing is all wrong.

MR. DUNN: I understand that and that is what we expected, but it would be important now to try to have the press there straightened out on the matter, if you can, because, of course, we are going to deny here that there was any question of assurances being conveyed from the British Government to this Government, because there isn't any such question. We are not seeking any assurances. The use of that word "assurances" gives the impression here that there is an agreement. This is what we are driving at.

MR. ATHERTON: But no such word was even used.

MR. DUNN: Yes, but the press has used it. It isn't the question that it was used at the Foreign Office, but used in the press. We understand the position of the Foreign Office, but we want the press given the correct impression. That is the idea.

MR. ATHERTON: I will do that here?

MR. DUNN: Yes, you do it there. The Secretary is going to do it here. We want to do it with the press here, and we don't want anything to creep into our position here, which, as you know, has been maintained on a completely independent status. What the other nations do with regard to the sanctions program thereon does not concern us at all.

MR. ATHERTON: That is perfectly clear. My conversation at the Foreign Office was on the question of Franco-British disagreement and had nothing whatever to do with sanctions.

MR. DUNN: We are sending you a telegram, also, with regard to an article by Kuhn in the *New York Times* this morning. He has given a rather erroneous impression in connection with the appointment of our delegation. I am not going to talk to you about this now. It will go on the wires in a few minutes. If you will try to correct the word "assurances" with the press—now the point with regard to

this word "assurances" is that it is a very, very delicate matter. Our position here is very delicate because the Secretary has been maintaining and insisting every day along the whole development of this program that our policy is completely independent, based entirely on our own policy and reasons and viewpoints here in this country, and we don't want to have anything like assurances or information with regard to what they propose to do—nothing of that sort to creep in. I know you understand this thoroughly but just want to be sure you realize——

MR. ATHERTON: Did you receive our telegram?

MR. DUNN: We received one last night.

MR. ATHERTON: Well, there was nothing in that.

MR. DUNN: I know exactly. We received your 589 [74] and the one that referred to it. The only phase that has come up now is the one in regard to the press.

MR. ATHERTON: All right, I will try to straighten the matter up here.

MR. DUNN: That's fine. Goodbye, Ray.

765.84/2812: Telegram

The Consul at Geneva (Gilbert) to the Secretary of State

GENEVA, November 29, 1935—2 p.m.
[Received November 30—8 p.m.]

625. Meeting Avenol on a social occasion he broached the question of the recent postponement of the Committee of Eighteen. He informed me that in setting the date of November 29 Vasconcellos had informally sounded out Paris and London, that at the time Paris had offered no objections to the date and that London while favoring a deferment had nevertheless agreed. He then stated bluntly that the reason Laval had given for a postponement of the meeting was a transparent pretext that while it was undoubtedly true that he felt it essential to be in Paris at that time, that he could easily have sent a substitute. He said that the real reason for the French move for postponement was that in view of their relations with Italy, they did not wish to face the issue especially that concerning oil which would be brought about in the discussions under Proposal 4A. He said that he had noted that the British in acquiescing in the postponement had carefully placed the responsibility on France. At the same time he sensed certain obscurities in the British position which were possibly related to current British-Italian conversations. As a corollary of this he said that when the British were last in Geneva they had fairly

[74] Not printed.

openly expressed a hope that Laval would fall and that they looked forward to his successor, possibly being Herriot, who would presumably align France more closely to League policy. He stated that he thus does not understand certain statements which he is aware Downing Street has made to the effect that London is favorable to Laval being maintained.

He then asked what I thought the effect the postponement might have on the American position respecting export of the materials in question, especially oil. In reply I confined myself to pointing out official American statements on the part of the President and the Secretary which I said, in my opinion, stood by themselves and did not require any interpretation. I took occasion, nevertheless, to underscore the separate and independent character of American policy both in its intent and expression. I made it entirely clear that I could in no way suggest what course the League should pursue nor did I believe that my Government would make any suggestions. That was a matter entirely for the League to decide. I stressed particularly that in any consideration which the League might give to non-member states as having a bearing on its action, the United States was only one of a number of non-member governments and that in discussing political developments with him, my aim was to be helpful in elucidating solely the American position as expressed in public official utterances and that I was always ready informally to be of such assistance.

Avenol expressed appreciation of what I had to say as most helpful to him and evidenced to me, in his response, an understanding of its spirit and content.

Cumming joined us during the latter part of this conversation.

I may add that in thus expressing myself to Avenol I was fully aware of preoccupations in the Secretariat and in League circles concerning the deliberations of the Committee of Eighteen, in particular concerning the resolutions they might adopt which would presumably almost inescapably either by statement or by inference express a relationship to the position of non-member states respecting the export of the commodities concerned. Associated with this are considerations concerning communications to non-member states, naturally including ourselves. From Avenol's reaction to what I had to say, I feel that our conversation may have served a useful purpose.

In respect of the commodities concerned, the question of oil is in the forefront of all discussions here, the other products being given scant mention. Incidental to this Russia, Rumania, Iraq, India and Finland have "in notifying here their acceptance of 4A" already indicated, with certain qualifications, their readiness to embargo petroleum and it is understood from London's general position that Great Britain would do the same were the issue definitely to arise, such British action presumably covering states where this product is

836401—53——61

under British control. The position of the Netherlands in this latter respect is regarded as similar to that of Great Britain. It is believed that Mexico would likewise be willing to embargo petroleum. Venezuela is regarded as uncertain. Egypt's position likewise embraces uncertain factors.

There is speculation here on the causes of Argentina's recent action respecting raw materials which, in view of certain former positions taken by Buenos Aires, was unexpected. I have, however, been unable to gain any satisfactory information here on this score.

GILBERT

765.84/2823 : Telegram (part air)

The Consul at Geneva (Gilbert) to the Secretary of State

GENEVA, November 30, 1935—noon.
[Received December 2—6:30 a.m.]

629. Stevenson, head of the British delegation to the Experts Committee which is in session here, called on me and stated that he had two questions to ask as to the American position (1st) respecting the date of the meeting of the Committee of Eighteen and, (2d) as to the possible action of that Committee in respect of an extension of the embargo against Italy on raw materials especially petroleum.

I replied that his inquiry seemed to me to suggest a misconstruction of American policy in that the United States could not take a "position" on matters which were solely within the competence of the League and that this misconception which in fact had also unfortunately appeared in the press might easily lead to misunderstandings harmful both to the United States and the League.

As to the general American policy in respect of its attitude toward the conflict, I felt that Washington had been at great pains to express it in a series of public statements which had received the widest publicity and which seemed to me to speak for themselves. I then took the opportunity to discuss the situation along the general lines of the second paragraph of my 625, November 29, 2 p. m.

Stevenson said that he would see me again and would be glad to elucidate any action taken by the Committee of Experts which their published material might not render entirely clear to me. I thanked him for his offer. I may say that should the Department have in mind any form which the Committee of Eighteen's action might take here in its bearing on the carrying out of our own policy (my 625, 5th paragraph) I feel that in the natural course of future informal conversations I might be able to emphasize excerpts of our general position in a manner which rendering it more fully understood here might facilitate the pursuance of our own course of action.

GILBERT

765.84/2823½

The British Embassy to the Department of State

ORAL COMMUNICATION

The attitude of the American Government towards the Abyssinian controversy, especially in regard to their Neutrality Resolution, and in regard to the manner in which they have ranged themselves definitely on the side of peace, is very deeply appreciated. The obvious sincerity of the President and of his Administration in using their influence to prevent the exploitation of war for private profit, particularly as regards oil, has made a very deep impression, and it is therefore desired most earnestly to take no action which will embarrass the Administration or in any way hamper any action it may find possible with the object of bringing the war to an end. It would be a calamity if responsible people in America were to conclude that the British Government and other members of the League were not prepared to do what they could to restrict oil exports while the American Government was using its moral influence towards bringing about such a restriction. There would obviously be a bitter reaction if the situation were to be exploited in Europe for dishonest interests. The good feeling that exists at present in the common interest of peace would be compromised and oil exports to Italy would clearly be greatly expanded.

There are however other features of the problem which require to be taken into account. It has already been explained that the Geneva meeting was postponed on account of the political crisis in France, and on November 29th a personal message was received in London from Monsieur Laval saying that owing to the extremely important debate in the Chamber he would not be able to go to Geneva until the following week. In these circumstances it has been necessary to acquiesce in a postponement of the meeting until December 12th, though His Majesty's Government had intimated at Geneva that they were ready for the meeting on any generally acceptable date.

Furthermore, evidence is accumulating that the difficulties of the Italian position, and the advisability of making terms are being realized by Signor Mussolini. Though the task is difficult and excessive optimism must be avoided it is certainly essential that the reality of this situation should be tested and it is quite possible in view of Signor Mussolini's disposition that he might be made more rather than less intransigent by an actual imposition of an oil embargo in present circumstances. A breathing space for these negotiations would be welcomed by Sir Samuel Hoare and it is expected that this feeling may be widely shared. It is thought that Signor Mussolini may be more likely to be reasonable with the embargo hanging over

his head than with the embargo actually imposed. In any case, it is intended to make a serious attempt to bring about a settlement in the next few weeks, and it is impossible to say for certain at present whether it will appear wise to impose an embargo on December 12th, as the answer to this will necessarily depend on the progress which may be made with peace negotiations. It might be wise to postpone the actual embargo to a further meeting of the Committee if the proposed conversations are progressing favourably. In any case it is hoped that it will be clearly understood here that apart from the immediate delay due to the French crisis, any other delay will be due to intensive efforts to bring about a peaceful settlement, and this fact will be made abundantly plain if delay does take place.

It is appreciated that these delays may be embarrassing to the President and his Administration and in explaining them it is hoped that they will be able to communicate their reactions, as Sir Samuel Hoare is most anxious to hide nothing from them, and to avoid all possible risks of misunderstanding and recrimination. At the same time he can see no other course that could be safely adopted if the risks of Italy extending the war are to be minimised and if the chances of achieving a peaceful settlement are to be increased.

NOVEMBER 30, 1935.

765.84/2981

Memorandum by the Secretary of State

[WASHINGTON,] December 2, 1935.

The British Ambassador [75] came in at his own request. He had no particular business except some general comment upon the war situation. I had not conferred with him since his return from London some weeks ago.

As discreetly as possible, I made clear to the Ambassador that our Neutrality policy had been developed under our own separate, independent course and initiative and without the slightest relationship to sanctions or any other movements of other nations or peace agencies at Geneva; that we had an extreme state of sentiment in favor of isolation and every form of pacificism, while at the same time in violent opposition to any agreements with League agencies, especially with reference to sanctions; that when someone falsely sent news reports to London and other capitals intimating that this Government was "out on a limb" on account of the postponement of the oil sanctions by Geneva, and some British officials or newspaper men sent messages back here expressing regret that this Government was thus disappointed, I had at the time sought to disabuse their minds with regard

[75] Sir Ronald Lindsay.

to this entire matter and to let them thoroughly understand that our policy of opposition to the abnormal shipment of war materials, including oil, to belligerents was our own separate, independent policy and course, and as such we considered it in operation for the duration of the war, regardless of and without any particular thought of what might occur at Geneva in the way of oil sanctions or non-sanctions; and that while I greatly appreciated the kind consideration of our British friends in the above regard, there was really no occasion for them to feel thus or to imagine that we were in the least disappointed or our plans in the slightest interfered with.

The Ambassador said he thoroughly understood the strong opposition in this country to any contacts with League sanctions especially, and that he could see clearly how we had pursued our own separate course and built up our policies as we went along, and also that he could thoroughly understand there was no occasion for any solicitude abroad in case of such incidents as the oil sanctions postponement and its imaginary effects upon the policy of the United States Government in opposition to the abnormal shipments of oil to belligerents.

CORDELL HULL

765.84/2983

Memorandum by the Secretary of State

[WASHINGTON,] December 2, 1935.

The Italian Ambassador [76] called at his own instance and promptly proceeded to complain about certain reports out of Geneva to the effect that this Government was in more or less agreement regarding material phases of the Ethiopian-Italian war. He reported Mr. Avenol as saying to some person that certain action or failure of action regarding an oil embargo would not please the United States Government. I inferred that he referred to any failure to act by Geneva and the nations belonging to the sanctions organization. He also referred to a statement of some unnamed but leading member of the organization at Geneva, presumably from Great Britain, in which he clearly inferred that we were in some material way tied in with the sanctions movement, if not with other plans and programs of the nations carrying out the League plans for peace. The Ambassador said he had received two telegrams from Rome to the above effect.

I interrupted the Ambassador before he got quite through, and said, "This is all bosh"; that we could not have been more scrupulous about preserving our own separate course with respect to this Ethiopian-Italian controversy and formulating our own policies without the remotest understanding or agreement of any description what-

[76] Augusto Rosso.

soever with any other nation or League of Nations or other agency abroad; that our representatives at London, Paris, Rome and Geneva, had had this position of ours hammered in on them many times, and that they had been cautioned with the utmost care to let no one get the impression or if possible circulate any rumor to the contrary. I said that of course what was happening was not entirely unnatural and that was that when persons like some of those at Geneva were striving desperately to accomplish certain objectives they might find it plausible, on account of some similar step that a large country like this had taken—even though under its sole and separate program, to intimate and hint that there was some collaboration or some understanding or some agreement between such government and the forces at Geneva. I said, "We are almost daily cautioning our representatives at all of these capitals to smother and suppress such rumors and reports to the fullest possible extent. This we shall continue to do." I then added that personally and officially and selfishly I had every possible motive to refrain from such agreements or collaboration, for the reason that the separate course of my Government was satisfying the peace people, was satisfying the bitterest critics of the Administration in and out of Washington, and was, therefore, avoiding terrific controversies such as those which grew out of the League of Nations situation in 1920. I finally, in the bluntest manner, referred to the entire situation and again stated that these disagreeable rumors would be spiked wherever we had the slightest intimation that they were in contemplation.

The Ambassador was rather persistent, but finally I dismissed the conversation with the statement just referred to. I am satisfied that he himself is thoroughly convinced about the matter. I said that my lengthy statement orally to the press last week [77] was in reply to some of the bad reactions from other capitals about erroneous press reports in this country to the effect that this Government "had gotten out on a limb", and that some of the people abroad had misinterpreted this as reflecting a state of disappointment on the part of myself and other Government officials, whereas this was all utterly baseless. I said that this Government, in accordance with its own separate independent course, had planned its own policies step by step without the slightest understandings, direct or indirect, with other nations or agencies.

The Italian Ambassador inquired whether this Government had taken up with Japan the Chinese situation. I replied that we were first undertaking to assemble the facts with a proper interpretation. I said I desired to repeat the great concern the Ethiopian-Italian war had given us, as well as doubtless to other countries: first, by making itself the most serious single factor in precipitating the Japanese-Chinese crisis; second, by prosecuting the Ethiopian-Italian war with-

[77] See memorandum of trans-Atlantic telephone conversation, November 27, 2: 50 p.m., p. 859.

out apparent concern as to the steadily increasing danger of its spreading and thus involving other nations, and, of course, increasing the danger of this country becoming involved; and third, the complete slowing down and almost the stopping in its tracks of the Trade Agreements program for the restoration of international finance and trade to their normal volume, on account of the fear and uncertainty of businessmen engendered by the war. I emphasized the far-reaching nature of these three major difficulties and troubles which had been inflicted upon this and other countries by the present Ethiopian-Italian war. If the Ambassador should again bring up this subject, I shall inquire whether it is not very ungracious for a government voluntarily participating in a war which is the proximate cause of the Far Eastern crisis to turn around and complacently inquire of this Government what it is going to do regarding that crisis, and that this Government has infinitely more ground to request the Italian Government to desist from war than the Italian Government has to call on this Government to deal with some of the natural consequences precipitated by that war.

C[ORDELL] H[ULL]

765.84/2812 : Telegram

The Secretary of State to the Consul at Geneva (Gilbert)

WASHINGTON, December 2, 1935—8 p.m.

141. Your 625, November 29, 2 p.m., and 629, November 30, noon. Referring to your recent conversations on the subject of the recent postponement of the Meeting of the Committee of Eighteen, I fear from this and intimations in press dispatches from some European capitals and Geneva that sight is being lost of the entirely separate and independent course and program of policies which this country has openly and avowedly pursued from the beginning of the Ethiopian-Italian controversy. The very purpose of and occasion for our independent course was to avoid any agreements or understandings of a cooperative nature with any other nation or group of nations such as those at Geneva with respect to sanctions or any other phase of the war. Our policies culminated in the definite announcement [78] that while not seeking to obstruct the normal volume of trade between this country and belligerents this Government would strive to carry out the plain spirit of the Embargo Act by opposing all abnormal shipments of essential war materials, mentioning oil, copper, trucks, tractors, scrap iron and scrap steel, which at the time of our announcement of this latter policy were being shipped to belligerents in abnormal quantities. We frankly state this program to any official or

[78] See statement by the Secretary of State, November 15, p. 819.

person making inquiry about our policy. We then add that we can say nothing about the future in any way except that this country will in the future refrain from the slightest agreement or understanding with nations or peace agencies relative to sanctions or other phases of the war controversy. To predict as to the nature and duration of the present ban of our Government on the shipment of war materials would at once be heralded abroad as a promise to the League or to other nations, and this would violate our pledges to the people as to our independent course. Any talk therefore by anyone, especially officials, intimating or hinting that they are speaking for our Government and that it is cooperating in some sort of way over there or has the slightest agreement or understanding as to any phase of the war, and any press dispatches from there to this country or to other countries to the same effect, are of course not only false and misleading but seriously embarrass us in prosecuting our own Neutrality program and our own separate policies relating to all phases of the war.

Reports purporting to give an impression that there is some connection between steps taken by this Government and other governments or the League have been causing us considerable difficulty here and we hope that you will make every effort to make clear our position as given above.

Please furnish copy to the Minister, and a copy to Paris for transmission to the Embassies at London and Rome.

HULL

765 84/2870 : Telegram

The Consul at Geneva (Gilbert) to the Secretary of State

GENEVA, December 4, 1935—2 p. m.
[Received December 4—10 : 50 a. m.]

638. Department's 141, December 3, 9 a. m. [*December 2, 8 p. m.*] and 135, November 21, 2 p. m.;[79] Consulate's No. 625, November 29, 2 p. m.; and despatch 1473 (political) October 30.[80] I have knowledge that Vasconcellos derives what he believes to be American policy from unofficial sources which are in certain aspects definitely misleading. I thus feel that it might be useful to seek an occasion to call to his attention Washington's position as expressed in recent official statements in a manner similar to that in the case of Avenol.

Please instruct.

GILBERT

[79] Latter not printed.
[80] Despatch not printed.

765.84/2870 : Telegram

The Secretary of State to the Consul at Geneva (Gilbert)

WASHINGTON, December 4, 1935—7 p. m.

144. Your 638, December 4, 2 p. m. Do not make an appointment with Vasconcellos concerning this matter. As soon as any opportunity presents itself, however, you should, after talking with the Minister make clear to Vasconcellos the substance of the Department's 141 and previous telegrams concerning our policy. Similar clarification should be made in your discretion to other officials whenever opportunity and occasion offers.

It is almost incomprehensible that any misunderstanding should still exist in any quarter in Geneva concerning our position, which has repeatedly been stated in definite and unambiguous terms.

Please keep the Minister informed of any conversations you may have along these lines.

HULL

765.84/3032½

The British Embassy to the Department of State

ORAL COMMUNICATION

The situation as described in the earlier communication of November 30th came up for discussion in the Cabinet on December 2nd and the position was confirmed. The policy and purposes of the United States Administration met with warm appreciation and it was decided to carry on further with the policy hitherto followed, of full participation in the collective action, including of course an oil embargo. At the same time it is the part of candour not to conceal the fact that the Cabinet was gravely perturbed by one element of the situation, namely that according to their information a large increase in American exports of oil to Italy had taken place during the last three months.

If peace negotiations make it necessary to adjourn the application of sanctions for a further period, it is to be expected that in the interval frantic efforts will be made by Italy to supply herself with all the oil obtainable. Measures are being taken with the British companies to avoid an inflation of British oil exports to Italy in this period, but it is feared that the increase of American exports would be greatly accentuated. Can any effective action be taken to avert this situation?

Similarly if the peace negotiations come to nothing and an oil embargo is imposed, can the Secretary of State feel confident that, without further legislation by Congress, it will be possible to keep American exports to the normal figure? While the difficulties of the United States Administration's position are appreciated it may

be fair to remember also those of League Governments if they impose an oil sanction and face the risk and loss that it entails, while increased American trade continues. Their oil companies must represent to them that inevitably their whole Italian market must be lost to them for ever to the advantage of American traders; and the Governments receiving these representations would find it difficult to maintain their position.

DECEMBER 5, 1935.

765.84/3018

Memorandum by the Secretary of State

[WASHINGTON,] December 7, 1935.

The British Ambassador called upon his own request for some further discussion of the subject matter of the last oral statement he made to me about the policy of this Government relative to shipments of oil and other essential war materials to belligerents. I had requested Mr. Dunn to hand the Ambassador my oral reply last evening to his oral statement of two days' ago. My reply was as follows:

"ORAL CONVERSATION

"This Government from the beginning of the Ethiopian-Italian controversy undertook to pursue a course consistent with its mandatory Neutrality Act, with its obligations under the Kellogg Pact, and its genuine interest in peace in every part of the world. The primary purpose of the Neutrality Act is to keep this nation from being drawn into war, while a policy of long standing has been that this Government at all times seeks to aid in every practical way, short of any political or similar involvement or entanglement, both to preserve and to promote peace. Accordingly, from the outset of the Ethiopian-Italian controversy this Government in pursuing its policies just mentioned, undertook on its own initiative to follow its own separate and independent course, without any agreement or understanding with any other nation or groups of nations, relative to sanctions or other phases of the war. The successive acts and utterances on the part of this Government since the outbreak of hostilities are to be interpreted in the light of what I have thus far said. I need not repeat the numerous public statements from week to week of the President and myself in behalf of peace, and in opposition to war or to the encouragement of its prolongation.

"It is sufficient to say that in pursuance of its primary objectives, which I have pointed out, this Government has, in the present circumstances, step by step applied the very definite policies for which it stands to the war conditions as they have developed. The Neutrality Act which, as stated, was primarily designed to keep this country from being drawn into war, prescribed an embargo against the exportation of arms, ammunition and implements of war. Later, on November 15, when the Government discovered that certain important war materials, comprising five commodities, namely: oil, copper, trucks, tractors,

scrap iron and scrap steel, were being shipped in abnormal quantities to belligerents for war purposes, I stated that abnormal exports of these commodities were contrary to the policy of this Government and the spirit of the neutrality act; that such shipments also constituted war trade and war profits, and tended to prolong the duration of the war. Ordinary trade between this country and the belligerents has continued, subject, of course, to the risk of the trader, but the Government definitely opposes to the extent of its influence the shipment in abnormal quantities of the above specified war materials.

"As to the probable attitude and action of Congress toward the abnormal exportation of such essential war materials as those referred to, when it convenes, those interested must use their own good judgment, based upon the wide range of information available relative to public sentiment in this country, and the numerous expressions of Senators and Congressmen on the subject."

I reiterated to the Ambassador that this was really all I could say about the future course and attitude of this Government, except that it would continue to pursue its own separate, independent course in dealing with all phases of the present war and would refrain from the slightest agreements or understandings with other nations or groups of nations in that connection. I added that this Government had scrupulously pursued this course thus far, as he must know. I said further that this Government was moving in a given direction with the primary purpose, under the Neutrality Act, to keep out of war, and also with definite objects and purposes to manifest its due interest in peace and to perform its reasonable peace obligations under the Kellogg Pact and its interest in peace in every part of the world; that in pursuing this separate course it must formulate its own policies and plans and must refrain as stated from any agreements with other nations or groups and could not as also stated make predictions as to the future course, nature and duration, of its policies, but could only leave people here and abroad to forecast that as best they might be able from the very clear and definite and stable course this Government had thus far pursued since the beginning of the Ethiopian-Italian controversy. I added that this Government had planned and pursued every step and policy from its own standpoint and without any reference to the plans or policies of Geneva, or London, or Paris, or other capitals abroad, and that this course we must continue to pursue; that as to what Congress might or might not do with respect to enactment of a law extending the embargo to essential war materials with or without discretion of the President, or what it might do relative to other important phases of neutrality as the same would relate to the present war, I would not for a moment predict, but leave the matter for every person to forecast in the light of such information as he might have.

I then inquired as to the theory upon which 52 nations, with their own carefully defined program relating to the war situation and oper-

ating under the collective peace system originating since the World War and the very life of which depended on its success in this undertaking, should hesitate or halt and seek to make the impression that they would not even attempt to go further unless some important country outside of the League first gave them some assurance as to what its course and policy might be during coming months with respect to the shipment, especially in abnormal quantities, of oil and certain other essential war materials. The Ambassador did not disagree at all with the view implied by this inquiry. I said that of course I was only thus commenting for the purpose of illustrating our own separate situation.

The Ambassador after my brief comment about the state of public opinion in this country and about the pursuit of our own separate program in harmony with that public opinion, did not seem disposed to inquire further as to our plans and purposes in the future.

C[ORDELL] H[ULL]

765.84/3008 : Telegram

The Consul at Geneva (Gilbert) to the Secretary of State

GENEVA, December 10, 1935—3 p.m.
[Received December 10—2 : 15 p.m.]

644. 1. Meeting Vasconcellos at a luncheon today he informed me that the present plan for the procedures of the Committee of Eighteen was the fixing of a date for the application of an oil embargo against Italy, the date envisaged to be toward the end of January. He told me that he felt certain that Russia and Rumania would accept this proposal but maintaining their reservations that such action should be universal by the oil producing countries. He understood that Great Britain would accept with a reservation which would not be couched in such specific terms but would probably be to the effect that their action would be conditioned on such an embargo being effective. Venezuela from information here still seems to be something of an unknown quantity.

From the general tenor of the conversation and from remarks made by others present I entertain no doubt a date at the end of January was in their minds in view of the convening of the American Congress in January, the thought being of affording time for Congressional action at Washington in respect of an extension of our embargo provisions to include petroleum.

The plans for the Committee of Eighteen have been formulated without regard to possible recent developments in Paris in the Hoare-Laval conversations.

The thought that these might alter the entire picture even to the extent of deferring any action on petroleum was, however, in the background of all conversations.

Although oil was the chief product mentioned it was understood in connection with the plan that any League action would include in the same terms, iron, steel and coal. It was not believed that anything would be done about copper in view of the position of Chile.

2. Vasconcellos inquired of me respecting my understanding of American policy. I thus took advantage of the occasion to proceed in line with the Department's telegram No. 144, December 4, 7 p.m., first paragraph, of course keeping our talk on an entirely informal basis. From what Vasconcellos said in reply I felt that it served a useful purpose to have our position at least clear in his mind.

GILBERT

765.84/3213 : Telegram

The Ambassador in the United Kingdom (Bingham) to the Secretary of State

LONDON, December 21, 1935—4 p.m.
[Received December 21—12 : 35 p.m.]

639. Foreign Office note received this morning states that on representations of Yugoslav Government with respect to grave loss of external trade as result of imposition of sanctions against Italy, British Government propose to grant to Yugoslavia, as an exceptional measure limited to duration of sanctions, certain special and exclusive advantages in the United Kingdom affecting imports of Yugoslav eggs, turkeys, chickens and bacon, the arrangements to come into force on Tuesday, December 24, and to be regarded as strictly confidential until that date.

Foreign Office represent that decision to take these exceptional measures is natural development of that policy pursued by the British Government with a view to bringing the Italo-Ethiopian dispute to an end. The British Government therefore trust that the United States Government will agree to waive any right they may possess under most favored nation clauses in existing treaties to benefit by the concessions now made to Yugoslavia. They further state that the concessions should not be regarded as marking any departure from the well-known principles which govern the British Government's commercial policy. Full text of note and Order in Council will be sent by pouch.

Agricultural Attaché states that American interests are not affected with the exception of bacon to a negligible extent, and that his department is informed by letter December 11th to Wheeler, Foreign Agricultural Division, Bureau of Agricultural Economics.

BINGHAM

765.84/3213 : Telegram

The Acting Secretary of State to the Ambassador in the United Kingdom (Bingham)

WASHINGTON, December 23, 1935—3 p.m.

398. Your 639, December 21, 4 p.m. You should immediately communicate orally with the Foreign Office and confirm by note as follows:

With regard to the suggestion contained in the Foreign Office note under reference, in pursuit of its uniform policy from the beginning of the Italo-Ethiopian Controversy of pursuing its own separate and independent course with respect to all phases of the matter—the American Government must reserve its most-favored-nation rights and its position with regard to any injury to American trade arising out of this or any similar arrangement which the British Government may enter into even though they be only of brief duration.

CARR

765.84/3292 : Telegram

The Ambassador in the United Kingdom (Bingham) to the Secretary of State

LONDON, December 31, 1935—2 p.m.
[Received December 31—10:25 a.m.]

643. Department's 401, December 30, 6 p.m.[81] Customs notice number 361 was published and issued by the Commissioners of Customs and Excise on December 23, making arrangement with Yugoslavia effective, beginning December 24, pursuant to Order in Council, copy of which was forwarded to the Department in pouch of December 24th under cover of despatch 1884 of December 24th.[81] No particular reaction given to our communication of December 24 to Foreign Office but it has been acknowledged with statement that subject matter thereof is under consideration. Copy of customs notice just received will be forwarded in next pouch.

BINGHAM

VII. Protection of American life and property in Ethiopia

884.11/7 : Telegram

The Secretary of State to the Chargé in Ethiopia (George)

WASHINGTON, June 26, 1935—2 p.m.

27. Your 45, June 10, 4 p.m.[81] The Department has received confidential information from the British Foreign Office indicating the

[81] Not printed.

likelihood that serious difficulties will be encountered in protecting foreign nationals in the event of hostilities. As the Department understands the situation the most serious problem so far as American nationals are concerned is presented by the missionaries at Addis Ababa. After consulting in the strictest confidence with the missionary leaders, inform the Department of the earliest date on which American nationals can evacuate the capital. Upon receipt of this information the Department contemplates instructing you to urge these nationals to leave by the date agreed upon and to inform them that failure to do so may prove most embarrassing to this Government, which will doubtless be without effective means of extending protection.

The Department desires your suggestions and recommendations regarding the evacuation of American missionaries in the provinces. Presumably they are in a less dangerous position than those in the capital. In view of the difficulty of travel, however, there may not be sufficient time for them to leave via Addis Ababa. If this is at all likely to be the case you should now take steps to urge them to withdraw immediately to some nearby country.

Funds have been obtained for the repatriation of the 10 indigent negro citizens now in Ethiopia and instructions will be sent you as soon as details can be arranged for their placement in the United States.

It is assumed that you can make arrangements with British Minister for evacuation of American Legation personnel in case of necessity. British Foreign Office suggests that you confer with British Minister on this point. Advise Department of result of consultation.

HULL

884.11/9 : Telegram

The Chargé in Ethiopia (George) to the Secretary of State

ADDIS ABABA, June 29, 1935—noon.
[Received 2:05 p.m.]

49. Department's June 26, 2 p.m. American missionaries in capital who would follow advice to depart are prepared to depart immediately. A certain number may be expected to insist on remaining out of sense of duty. Potential danger varies according to locality outside capital and I have recommended immediate evacuation some stations. British Minister conferring with Emperor, and I shall telegraph further next week. News received unofficially that Eden visit to Rome complete failure. Impossible to estimate when hostilities may begin but Italian Legation urging remaining Italians to hasten departure. British Minister has plans for Legation evacuation but I intend to remain unless

instructed to go. My despatch 17 [88] recommended including two Jackson negroes in destitute group.

GEORGE

384.11/9 : Telegram

The Secretary of State to the Chargé in Ethiopia (George)

WASHINGTON, July 2, 1935—5 p.m.

29. Your 49, June 29, noon.

1. Department requires full details regarding number of missionaries who eventually decide to leave and those who insist on remaining. Information is also desired concerning the provincial stations which it is proposed to close and those which will continue.

2. You should now confidentially but urgently advise all American missionaries in the capital to leave immediately. Similar action should be taken with respect to American nationals in the provinces unless you have sound reasons for believing that they are not in danger, in which case you should inform the Department of the basis for your judgment. In tendering the foregoing advice stress the fact that the continued presence of American nationals is likely to prove embarrassing to this Government which lacks facilities for their effective protection in such a remote country as Ethiopia.

3. Home boards of missionary societies are also being urged to withdraw their personnel immediately.

4. Funds for repatriation of indigent negro citizens were obtained on basis of information contained in your 45 June 10, 4 p. m.[88] and are sufficient only for the repatriation of the 10 nationals referred to therein who are definitely in the danger zone.

5. You should make tentative arrangements for the transportation of these 10 citizens to Port Said. Consult by telegraph with the Consul at that port regarding the best date for their arrival there to await sailing for the United States. You will be authorized to draw not to exceed $800 to cover their transportation and living expenses from Addis Ababa to Port Said.

6. Keep Department fully advised of developments.

HULL

384.1115/7a : Telegram

The Secretary of State to the Consul at Port Said (Remillard)

WASHINGTON, July 2, 1935—5 p.m.

Legation at Addis Ababa is making tentative arrangements for evacuation to Port Said of 10 indigent American negro citizens and

[88] Not printed.

will consult you as to best date for their arrival to make steamer connections. Department understands that you can obtain transportation third class to New York on Italian line for $135 per person. Make tentative reservations at this or any lower rate. In due course you will be authorized to draw not exceeding $1450 covering their transportation to New York and necessary expenses awaiting sailing.

HULL

384.11/13 : Telegram

The Chargé in Ethiopia (George) to the Secretary of State

ADDIS ABABA, July 6, 1935—6 p.m.
[Received July 6—5:40 p.m.]

54. Department's telegram 29, July 2, 5 p.m. All missionaries advised as instructed. Three missionaries sustained by Miss Mary Hastie, 1232 Main Street, Avoca, Pennsylvania, and one sustained by Arlington Presbyterian Church, Baltimore, will depart if provided funds. One independent will leave. Three members Sudan Interior Mission, 296 Garfield Place, Brooklyn, will leave if funds provided; three members Women's Board of United Presbyterian Church, Room 904 Publications Building, Pittsburgh, leaving and three more will leave if urged by home board; Seventh Day Adventist Mission, Washington, District of Columbia, will only go if ordered. The main difficulties in getting action are lack of funds and absence of instructions from home boards. A number of others would probably go if authorized. Above refers only to capital. I have urged closing all provincial stations but no reply expected for weeks. Safety foreigners discussed with Emperor who does not deny potential danger but promises all protection possible and to inform me frankly when crisis arises. It might then be too late to evacuate but impossible to gauge this risk. French Minister states railway agrees to carry 1600 passengers a day in four freight trains in emergency and if line uncut. British Minister prepared to attempt air evacuation. German Minister anxious, relying on French, British in emergency. Local situation critical, calm.

GEORGE

384.11/23 : Telegram

The Chargé in Ethiopia (Engert) to the Secretary of State

ADDIS ABABA, August 6, 1935—9 a.m.
[Received 11 a.m.]

70. British Minister yesterday called a meeting of representatives of British missionary organizations at which he requested me and representatives of American institutions to be present. He an-

nounced that he had arranged with the Ethiopian Government for the concentration if and when the necessity arose of British missionaries at certain convenient points in the interior where missions are already located. Should the situation later require it they would all be brought to Addis Ababa.

The arrangement implies that the British Legation would not for the present issue definite instructions that outlying stations be evacuated but that the Ethiopian Government will itself take the initiative in suggesting it when it is felt that it could no longer guarantee their safety. This does not, of course, preclude evacuation whenever the Legation or the missionaries themselves desire it.

This plan has much to commend itself as it is obviously intended to avoid a panic or to show premature lack of confidence in the authorities. I shall, unless the Department instructs to the contrary, make a similar arrangement as regards American missionaries reserving, of course, complete liberty of action with respect to suggesting immediate evacuation at any time the Legation may deem it advisable. Details by mail.

ENGERT

384.11/23 : Telegram

The Secretary of State to the Chargé in Ethiopia (Engert)

WASHINGTON, August 6, 1935—6 p.m.

41. Your 70, August 6, 9 a. m. The Department has not modified the position taken in its 29, July 2, 5 p.m., that American nationals should be urged to leave Ethiopia immediately and wishes the Legation to continue to give effect to the Department's instructions in that sense.

In respect of those American nationals who may disregard the Department's advice in this matter and who as a result may later encounter difficulties, the Department would of course expect you to render such assistance as may be possible under the circumstances. In such a situation the Department would approve your participation in the plan worked out by the British Minister in cooperation with the Ethiopian authorities for the protection of British nationals.

HULL

384.11/23 : Telegram

The Secretary of State to the Chargé in Ethiopia (Engert)

WASHINGTON, August 10, 1935—2 p.m.

44. Department's 41, August 6, 6 p.m. The Department is today communicating again with the missionary organizations in the United States urging those who have not already done so to take steps looking

to the immediate departure of all of their personnel from Ethiopia. In this connection it is desired that you urgently renew the advice to all missionaries still in Ethiopia to depart at once.

Inform Department currently by telegraph of departures, plans for departure and refusals to depart. Also report whether there are still any American Negroes in Ethiopia and if so what plans are being made by them to leave.

HULL

384.11/27 : Telegram

The Chargé in Ethiopia (Engert) to the Secretary of State

ADDIS ABABA, August 14, 1935—2 p.m.
[Received August 15—9 : 30 a.m.]

73. At a meeting I called this morning I communicated to nine representatives of American missionary institutions, including two women, the substance of the Department's telegram number 44, August 10, 2 p.m. and reminded them of the previous messages from the Department urging them to depart immediately. After a discussion which lasted 2 hours they informed me that the following were their views and could be considered as those of practically all American missionaries in Ethiopia.

1. While appreciating the Legation's solicitude for their welfare they do not feel they can all abandon their work at the present time. They fully realize the risks involved in living in a primitive country but they have counted the cost and are willing to take a chance.

2. Apart from their work they have very valuable property, such as modern hospitals, involving investments of large sums of money contributed by American friends for the protection of which they considered themselves responsible. The medical missionaries feel particularly strongly that a time of crisis such as may occur would afford them an opportunity of rendering unselfish service to the people of this country when it was most needed.

3. They all admit that the attitude of the natives in any given locality under conditions of stress is a matter of uncertainty but so far they have had no reports of signs of unfriendliness. On the contrary they believe Americans are on the whole safer than other nationalities.

4. As regards married women with children they are quite prepared to leave as soon as hostilities have actually broken out or seem imminent. Single women workers, especially those connected with hospitals, do not want to depart so long as male protection is available.

The consensus of opinion seems to be that unless and until the situation becomes definitely threatening to them they do not wish to abandon their posts whether in the interior or in the capital. This is their life work and they must not quit merely because of the possibility of danger.

I believe the above views are, to a certain extent, due to the fact that no other government except the Italian has so far instructed its nationals to submit and the Americans do not want to appear more alarmed than other foreigners. I have repeatedly discussed the situation with the British and French Ministers who assure me that they have merely advised their nationals to hold themselves in readiness to leave on short notice and they feel certain that even then by no means all would go.

The British Minister tells me confidentially that his Foreign Office never contemplated complete evacuation of British nationals and that preparations for planes et cetera were chiefly for personnel of Legations and possibly a few others in extreme emergency. He does not share the Department's view (see Department's 27, June 26, 2 p.m.) that the problem is more difficult in the capital but believes foreigners will be safer here than in the interior except perhaps those within easy reach of contiguous British possessions.

My own personal opinion is that so long as Ethiopian forces have not suffered serious reverses and the Emperor remains alive the authorities will in good faith make every effort to protect foreigners both here and in the interior but I have not expressed this view to the missionaries.

ENGERT

119.2/3004

Memorandum by the Chief of the Division of Near Eastern Affairs (Murray)

[WASHINGTON,] August 23, 1935.

Mr. Henry L. Roosevelt, Acting Secretary of the Navy, accompanied by Admiral William H. Standley, Chief of the Naval Operations, called on the Secretary yesterday to discuss the question of sending an American naval vessel to Djibouti in order to maintain communications between this Government and its Legation at Addis Ababa. Mr. Roosevelt stated that the President had taken the matter up with him and asked him to discuss it with the Secretary of State.

Admiral Standley pointed out that prior authorization for an American naval vessel to visit and remain any time at Djibouti would of course have to be obtained from the French authorities. As far as the use of the vessel's radio in communicating with Addis Ababa and with this country is concerned, the Admiral stated that it was entirely contrary to customary practice, which required that the radio equipment of any such vessel be sealed while in a foreign harbor.

As regards the use of naval airplanes which would be available if a cruiser were sent, the Admiral pointed out that only seaplanes ac-

company cruisers, although they could of course be equipped with wheels in case of necessity. However, both the Admiral and the Acting Secretary of the Navy were skeptical over the possibility of flying the cruiser's planes from Djibouti to Addis Ababa, and it appears, furthermore, that the President is doubtful as to the advisability of such a plan. I mentioned, in this connection, the British Air Ministry's misgivings over the possibility of evacuating British and other foreign nationals in Addis Ababa by air in case of disaster. The Admiral said that he had been informed that the Italians had already found great difficulty in using either water-cooled or air-cooled planes in East Africa owing to the altitude.

Under the circumstances it seemed unnecessary to pursue further the question of resorting to airplane communication between Djibouti and Addis Ababa even if it is decided to send a cruiser to Djibouti.

Admiral Standley raised the question as to whether the French themselves may not be contemplating the establishment of some safe means of communication between Djibouti and Addis Ababa in case of hostilities. As a result of discussions on this matter, it was decided that we should as a preliminary step communicate with the French Government and ascertain what, if any, steps it proposes taking to maintain communication between its East African province and the Ethiopian capital. Since the British must also be vitally concerned in this matter in view of the fact that the cables of the Eastern Telegraph Company have a station in Perim Island in the near vicinity of Djibouti, it was thought desirable to address the same inquiry to the British Government. Appropriate instructions were therefore sent yesterday evening to both Paris and London.[85]

WALLACE MURRAY

119.2/2996 : Telegram

The Secretary of State to the Chargé in France (Marriner)

WASHINGTON, August 24, 1935—4 p.m.

345. In view of the situation described in your 725, August 23, 6 p.m.,[86] and the unlikelihood that in case of emergency adequate facilities of communication could be afforded this Government by the French authorities either at Addis Ababa or at Djibouti, the Department wishes you again to discuss this matter in confidence and without delay with the competent French authorities.

You should state that in view of the great uncertainties as to the future maintenance of safe and continuous means of communication

[85] Neither printed.
[86] Not printed.

with our Legation at Addis Ababa, this Government would appreciate being informed whether there would be any objection to the early dispatch, in the event such action is decided upon, to Djibouti of a cruiser equipped to communicate both with Addis Ababa and direct with this country.

HULL

884.00/310 : Telegram

The Chargé in Ethiopia (Engert) to the Secretary of State

ADDIS ABABA, August 27, 1935—2 p.m.
[Received August 27—2 p.m.]

83. In view of fantastic rumors which I understand some of the numerous foreign correspondents are broadcasting for lack of something better to do I desire to assure the Department that the city is perfectly calm, that no immediate evacuation has been ordered either of natives or foreigners and that any foreigner departing can obtain sufficient foreign exchange to take him home. Many merchants are changing paper money into silver which caused mild run on the bank.

ENGERT

384.11/35

The Secretary of the International Missionary Council (Warnshuis) to the Chief of the Division of Near Eastern Affairs (Murray)

[Extract]

NEW YORK, N. Y., August 29, 1935.

MY DEAR MR. MURRAY:

.

There is one general question about which I should like to get your information. You may remember that I raised this question with you in conversation. In your previous letters you have requested the missionary boards to instruct all of the American missionaries to leave Ethiopia. The question that I want to raise concerns the position of medical missionaries. Would it be possible to recognize that medical missionaries might be an exception in such a time as this. Would there be any objection on the part of the American Government toward any American medical men or women, whether missionary or not, accepting service under the Ethiopian Red Cross; assuming that the Ethiopian Red Cross is recognized under the International Red Cross Convention, is there any objection to American aid being given to the Ethiopian Red Cross? Again, would there be any objection to the Americans organizing a Red Cross unit to go to Ethiopia in the event of war being declared? Would American nurses, unmar-

ried, be in any different position from that of physicians and would there be any objection against their accepting service in Ethiopia?

.

Yours faithfully, A. L. WARNSHUIS

119.2/2999 : Telegram

The Chargé in France (Marriner) to the Secretary of State

PARIS, August 29, 1935—3 p.m.
[Received August 29—10:25 a.m.]

741. My 729, August 26, 10 a. m.[87] Bargeton [88] informed me this morning that after discussing the matter with the technical services and the Prime Minister despite their entire willingness to be of assistance in every way possible to maintain communications between our Legation in Addis Ababa and Washington they did not feel inclined to grant permission for an American cruiser to be stationed at Djibouti fearing the precedent this might create with other countries who might ask for similar favors. Likewise, Bargeton pointed out that in case of any outbreak of hostilities in which France should remain neutral they could not permit the presence of any vessel of war of any power within this harbor for more than 15 days. He expressed the Foreign Minister's regret at not being able to accede to our desire.

MARRINER

119.2/3005a : Telegram

The Secretary of State to the Chargé in the United Kingdom (Atherton)

WASHINGTON, September 5, 1935—1 p.m.

242. In order to assure the continuance of telegraphic communications with Ethiopia this Government contemplates installing a radio sending and receiving set at the Legation at Addis Ababa. In order to relay messages to Washington it would be necessary to station an American war vessel in nearby waters. Please ascertain whether the British authorities would have any objection to the presence at Aden of an American cruiser which is the smallest vessel having radio equipment capable of communication with Washington. If you consider it desirable you may add that this vessel might also be used in case of emergency to assist in the evacuation of American nationals from Ethiopia.

HULL

[87] Not printed.
[88] Paul Bargeton, Chief of Political and Commercial Affairs Section in the French Foreign Office.

119.2/3006 : Telegram

The Chargé in the United Kingdom (Atherton) to the Secretary of State

LONDON, September 6, 1935—5 p.m.
[Received September 6—12 : 30 p.m.]

427. I discussed the Department's 242, September 5, 1 p.m., with the Acting Under Secretary of State today, who said the question resolved itself into two parts. One, from a political angle, the presence of an American vessel in those waters would be welcome; but, my impression is that this welcome was based on the implications that might be attributed to the presence of an American naval vessel at Aden at a time of Anglo-Italian tension. Two, from the point of view of hospitality, he learned Aden would be crowded with shipping coming and going and that therefore because of the draught, a cruiser would probably have to lie outside where the anchorage left much to be desired. But any craft not larger than a destroyer could be taken care of within the harbor.

He mentioned in passing a recent report received by them that the Abyssinian Government is putting up a reserve wireless station in case of breakdown of the existing station.

ATHERTON

119.2/3015

The Chief of the Division of Near Eastern Affairs (Murray) to the Assistant Secretary of State (Moore)

[WASHINGTON,] September 6, 1935.

DEAR JUDGE MOORE: Although the underlying telegram from our Embassy at London [89] indicates that the British Government is willing to permit an American war vessel to anchor at Aden, Mr. Dunn [90] has raised the question as to whether this may be a desirable move from an international angle. The question also arises as to whether there might be adverse comment in this country if we dispatched a war vessel so close to the troubled area. Under the circumstances, in order that we may explore all possibilities of establishing safe communications with Addis Ababa I think it might be in order to send the attached telegram [91] to London.

If you concur would you be good enough to sign the telegram so that it can be sent tonight?

WALLACE MURRAY

[89] *Supra.*
[90] James Clement Dunn, Chief of the Division of Western European Affairs.
[91] *Infra.*

119.2/3006 : Telegram

The Secretary of State to the Chargé in the United Kingdom (Atherton)

WASHINGTON, September 6, 1935—8 p.m.

245. Your 427, September 6, 5 p. m. As alternatives to the proposal to station an American war vessel at Aden to relay messages between that point and our Legation at Addis Ababa, please inquire whether the British authorities would be willing (1) to authorize the British Government wireless station at Aden to receive and send such messages or (2) permit the installation of a receiving and sending set at the American Consulate at Aden for that purpose. In either case it would be proposed to have the Consul at Aden act as intermediary in the transmission of messages between Aden and Washington and it would be understood that such messages would be transmitted by existing commercial radio or cables.

HULL

384.11/35

The Chief of the Division of Near Eastern Affairs (Murray) to the Secretary of the International Missionary Council (Warnshuis)

WASHINGTON, September 11, 1935.

MY DEAR DR. WARNSHUIS: I have received your letter of August 29, 1935, with further reference to the presence of American missionaries in Ethiopia.

With respect to the various questions raised in the third paragraph of your letter I wish to inform you as follows:

(1) The situation which has caused the Department to advise American philanthropic and religious organizations to withdraw their personnel from Ethiopia is as controlling in the case of medical missionaries as it is with reference to all other missionaries. The Department must therefore reiterate, in connection with your inquiry concerning medical missionaries, that the situation developing in Ethiopia is likely to prove extremely dangerous to foreign personnel operating in that country, which danger is emphasized by the practical impossibility of extending effective protection, and that the continued presence of American nationals in Ethiopia is not conducive to the best interests of the United States and may prove extremely embarrassing to this Government.

(2) Article 11 of the Convention for the Amelioration of the Wounded and the Sick of Armies in the Field (Red Cross Convention), signed at Geneva July 27, 1929,[92] provides that

> "A recognized society of a neutral country may only lend the services of its sanitary personnel and formations to a belligerent

[92] *Foreign Relations*, 1929, vol. I, p. 321.

with the prior consent of its own Government and the authority of such belligerent.

"The belligerent who has accepted such assistance shall be required to notify the enemy before making any use thereof."

On the basis of the principle laid down in this Article it might be contended that individuals who desire to participate in activities of this kind are required to obtain the consent of their respective governments, and that the belligerent who has accepted such assistance is required to notify the enemy before making any use thereof.

(3) It is the Department's understanding that the American Red Cross is taking no action at the present time with respect to the situation in Ethiopia and will not do so in the absence of action in the premise by the International Red Cross Societies.

Although the foregoing may not specifically answer all the questions raised in your letter, it is believed that the information supplied is of such a nature as to permit you to come to general conclusions with respect to the questions which you appear to be studying. I am sure that in this connection you will understand the Department's practice of avoiding specific answers to hypothetical questions, as it cannot forecast the precise course of developments in particular instances.

I may add that the Ethiopian Legation at Paris notified the Swiss Federal Council on July 15, 1935, of Ethiopia's adherence to the Convention for the Amelioration of the Condition of the Wounded and Sick of Armies in the Field. It is understood that Ethiopian adherence will become effective on January 15, 1936.

Sincerely yours, WALLACE MURRAY

119.2/3009 : Telegram

The Chargé in the United Kingdom (Atherton) to the Secretary of State

LONDON, September 12, 1935—3 p.m.
[Received September 12—11 : 30 a.m.]

434. I discussed Department's 251, September 10, 2 p. m.[93] with the Foreign Office today who stated that before giving a definite answer they would like consult existing regulations.

At the same time they took occasion to refer to the other inquiry I made last week based on the Department's 245, September 6, 8 p.m. They were not yet in a position to answer as to the alternative proposals but impressed upon me that consultation with the Admiralty revealed that the outer harbor at Aden did provide a suitable anchorage for a cruiser and with this question of hospitality suitably eliminated the

[93] Not printed.

desirability of sending a cruiser there was strongly urged rather than the alternatives subsequently suggested. Foreign Office even went so far as to suggest that I instruct the Naval Attaché to call at the Admiralty where the details of the proper berthing of the cruiser in the outer harbor at Aden would be fully explained to him.

I stated that when I have the further reply of the British Government I would submit the whole picture to my Government and advise the Foreign Office as to the decision.

ATHERTON

119.2/3014

Memorandum by the Chief of the Division of Near Eastern Affairs (Murray)

[WASHINGTON,] September 14, 1935.

Admiral William H. Standley, Chief of Naval Operations, came to see me this morning with regard to the question of establishing and maintaining effective radio communication between this country and Ethiopia. I gave the Admiral a copy of the letter addressed by the Secretary yesterday to the Secretary of the Navy [94] informing him of the substance of our communications thus far with the British Government on this subject and requesting him to send forward as early as possible, and by the most practicable means, a suitable receiving and sending set to be installed in the American Legation at Addis Ababa.

The Admiral told me that the radio set would go forward, with the necessary personnel, on September 18 and would arrive at Djibouti on October 14 according to the plans worked out by the Navy Department.

In glancing over the telegrams on this subject from London the Admiral commented, with a twinkle in his eye, on the statement that the British Government "would be pleased" to afford every facility to an American cruiser in that region of the world. I explained to the Admiral that we had thought it desirable to obtain the necessary information on the matter of communications between this country and Ethiopia either with or without the services of a cruiser. I remarked that the final decision as to whether we would or would not dispatch a cruiser was not at this moment pressing; the dispatch of the radio receiving and sending set for our Legation at Addis Ababa was, on the other hand, of the greatest urgency.

WALLACE MURRAY

[94] Not printed.

119.2/3017 : Telegram

The Ambassador in the United Kingdom (Bingham) to the Secretary of State

LONDON, September 25, 1935—noon.
[Received September 25—7 : 14 a.m.]

466. My 459, September 20, 5 p.m.[95] Foreign Office states Admiralty is prepared to relay United States Government messages on strictly Government business only between the United States Legation at Addis Ababa and Aden wireless station at Aden from 8 : 30 to 9 : 30 a.m. Greenwich mean time. "Frequency will be 10345 kilocycles (slightly under 30 meters wave length)." This service to cost one-half normal rate.

Should Department accept this proposal Foreign Office suggests further consultation with Embassy as to determining moment when service should commence.

BINGHAM

119.2/3017

Memorandum by the Assistant Chief of the Division of Near Eastern Affairs (Alling)

[WASHINGTON,] September 28, 1935.

Commander Wheeler of the Navy Department telephoned to me today regarding telegram No. 466 of September 25, from the American Embassy at London. In that telegram the Embassy reported that the British Admiralty was prepared to relay United States Government messages between the proposed naval radio station at Addis Ababa and the British Government wireless station at Aden.

Commander Wheeler suggested that the Embassy be advised to leave this matter in abeyance for the time being. In this connection he stated that the Navy first wished to ascertain whether it would not be possible to maintain direct communication between the station at Addis Ababa and the naval stations at Washington and Cavite, Philippine Islands. He said that in the event such direct communication did not work well in practice the Navy was contemplating asking the Radio Corporation of America to make arrangements with the Radio Orient at Beirut to relay messages to and from Addis Ababa. Commander Wheeler stated that the Radio Corporation of America had a contract with the Radio Orient and would doubtless find no difficulty in making arrangements such as the Navy Department envisaged. He added that the Navy would prefer to work in this manner through an American company rather than to make use of the British Government facilities

[95] Not printed.

at Aden. At the same time he thought that it would be desirable to keep the British offer open so that the Aden station could be used if the other means of communication did not work out in practice.

P[AUL] M. A[LLING]

119.2/3017 : Telegram

The Secretary of State to the Ambassador in the United Kingdom (Bingham)

WASHINGTON, October 1, 1935—6 p.m.

279. Your 466, September 25, noon. For your information. Navy Department hopes to communicate directly between Addis Ababa and Washington,[96] but it would like to have British offer kept open for possible future use.

HULL

765.84/1541 : Telegram

The Chargé in Ethiopia (Engert) to the Secretary of State

ADDIS ABABA, October 3, 1935—1 p.m.
[Received 5 p.m.]

108. My 104, September 29, 9 p.m.[97] General mobilization was proclaimed this morning and hostilities are reported to have begun on the Eritrean border.

I have insisted that three American women and six children of the Seventh Day Adventist in Addis Ababa depart by next train.

For all Americans remaining I have arranged with the British Legation to be afforded such protection as may be possible. British Minister has kindly consented to distribute gas masks to any Americans who desire them and to allow them to set up tents in his compound in the event that police protection fails. I have been repeatedly assured by the Emperor and local authorities that everything possible will be done to protect American lives and property. Please see paragraph 3, my 94, September 14, 10 p.m.[98] and convey to Rome hope that American flags will be respected. The Department might emphasize the fact that the American Legation is not in the same quarter as the other Legations but at the opposite end of the city. I am still at the Imperial Hotel as are also numerous other American citizens. The Italian Minister who will probably leave in a few days is being informed.

[96] Direct communications between the Legation at Addis Ababa and Washington via naval radio were established October 29, 1935.
[97] *Ante*, p. 660.
[98] Not printed.

City is, so far, remarkably quiet but the atmosphere is naturally extremely tense.

ENGERT

765.84/1541 : Telegram

The Secretary of State to the Ambassador in Italy (Long)

WASHINGTON, October 4, 1935—4 p.m.

154. Chargé d'Affaires at Addis Ababa reports that he has advised all American institutions to paint or stretch large American flags on roofs of their buildings and that he is doing the same at the Legation, which is at the opposite end of the city from other foreign legations. At present the Chargé d'Affaires, along with numerous other American citizens, is living at the Imperial Hotel. The location of the American legation, American institutions and the Imperial Hotel is readily ascertainable from existing maps.

Please express to the Foreign Office the hope that Italian military authorities in East Africa may be advised of the foregoing for use in the event of military operations at or near Addis Ababa.

HULL

765.84/1635 : Telegram

The Chargé in Ethiopia (Engert) to the Secretary of State

[Extract]

ADDIS ABABA, October 6, 1935—7 p.m.
[Received October 6—4 : 50 p.m.]

115. At today's meeting of Diplomatic Corps but without Italian Minister, it was decided to request our respective Governments to bring to the attention of Italian Government the fact that cities of Addis Ababa and Diredawa are open and undefended. The former contains about 6,000 and the latter about 2,000 foreign nationals including many women and children.

.

ENGERT

765.84/1635 : Telegram

The Secretary of State to the Ambassador in Italy (Long)

WASHINGTON, October 11, 1935—6 p.m.

168. With regard to decision of Diplomatic Corps in Addis Ababa to request their respective Governments to call to the attention of the

Italian Government the special position of the open cities of Addis Ababa and Diredawa containing as they do several thousand foreign residents, we would be glad to have a report of any action that may have been taken by the Governments now represented at Addis Ababa.

HULL

765.84/1756 : Telegram

The Ambassador in Italy (Long) to the Secretary of State

ROME, October 12, 1935—9 a.m.
[Received October 12—7 : 23 a.m.]

693. Your 168, October 11, 6 p.m. The British have no instructions. The German and Belgian Ambassadors here have been instructed to request the Italian Government to abstain from bombing the open city of Addis Ababa if all the other Governments so request but as no other Governments except France have made any representations they have refrained from so doing. The French have received a similar instruction and the French Ambassador told the German Ambassador that he felt that because of the delicate situation in which France found itself vis-a-vis England and Italy he would make some mild suggestion but that it would be a purely *pro forma* representation and done in a very casual manner.

As I understand it there are no other Governments directly represented at Addis Ababa.

We have no information about requests concerning Diredawa.

LONG

765.84/1761 : Telegram

The Ambassador in Italy (Long) to the Secretary of State

ROME, October 12, 1935—1 p.m.
[Received October 12—9 : 30 a.m.]

697. My 693, October 12, 9 a.m. Above telegram based on information available yesterday. Today I learn that in addition to the French Embassy, the British, German and Belgian Embassies and the Greek and Egyptian Legations have now received instructions and have made oral representations. I understand that with the exception of the Egyptian Legation, which based its representations on the law of nations, all were based upon humanitarian motives. Up to now we were the only Government to make representations as per your 154, October 4, 4 p.m.

LONG

765.84/1761 : Telegram

The Secretary of State to the Ambassador in Italy (Long)

WASHINGTON, October 12, 1935—2 p.m.

170. Your 697, October 12, 1 p.m. You may make on humanitarian grounds oral representations similar to but not exceeding those made by your colleagues.

HULL

765.84/1817 : Telegram

The Ambassador in Italy (Long) to the Secretary of State

ROME, October 14, 1935—9 p.m.
[Received October 14—3 : 50 p.m.]

708. Your October 12, 2 p.m. I called upon Suvich this evening and made oral representations on humanitarian grounds that they would abstain from bombardment of the open cities of Addis Ababa and Diredawa and stated that my action was similar to that of my colleagues representing Governments who had participated in the conference of the Diplomatic Corps at Addis Ababa.

As I left the Turkish Ambassador entered to make similar representations.

LONG

765.84/1817 : Telegram

The Secretary of State to the Ambassador in Italy (Long)

WASHINGTON, October 16, 1935—6 p.m.

175. Your 708 October 14, 9 p.m. In reporting on the meeting of the Diplomatic Corps in Addis Ababa, Engert reported that "it was decided to request our respective Governments to bring to the attention of the Italian Government the fact that cities of Addis Ababa and Diredawa are open and undefended."

In your telegram under reference you state that your representation referred to an abstention from "bombardment" of these open cities.

Please report whether the representations of all the other diplomatic representatives also specifically included the word "bombardment".

HULL

765.84/1915 : Telegram

The Ambassador in Italy (Long) to the Secretary of State

ROME, October 17, 1935—6 p.m.
[Received October 17—2 : 10 p.m.]

729. Department's 175, October 16, 6 p.m. The matter of the bombardment of Addis Ababa and Diredawa was discussed at the

Italian Foreign Office by my German and Belgian colleagues, and the British left an *aide-mémoire* in which it was specifically mentioned. It was also referred to in the representations of other of my colleagues as implicit in any consideration of the position of the above-mentioned open cities. My representations accordingly in following those of my colleagues also included the matter of bombardment although the main emphasis was laid on the general question of the open character of those cities.

LONG

765.84/1918 : Telegram

The Ambassador in Italy (Long) to the Secretary of State

ROME, October 17, 1935—8 p.m.
[Received October 17—2 : 55 p.m.]

731. My 729, October 17, 6 p.m. When I met Mr. Suvich today he said that he could now answer the representations in mine under reference and in your 175, October 16, 6 p.m. He said that Italy would issue a communiqué on the subject tomorrow and would not move on either of these open and unprotected cities. He said that that commitment on their part would continue provided advantage was not taken of it to assemble troops and ammunition in those places. In that case they would have to change their policy.

I took the occasion to ask him whether all of my colleagues had mentioned bombing. He said, "Yes, all of them mentioned bombing and from the [apparent omission]".

LONG

884.142/58 : Telegram (part air)

The Consul at Geneva (Gilbert) to the Secretary of State

GENEVA, November 18, 1935—5 p.m.
[Received November 19—3 : 05 p.m.]

605. 1. The International Committee of the Red Cross has announced the receipt of contributions for the Ethiopian Red Cross totaling 34,000 Swiss francs from Red Cross organizations in the United States, Spain, Greece, Lithuania, Rumania, Switzerland and Jugoslavia, the contribution of the American Red Cross being $5,381. They state that funds are being raised in Belgium, Denmark, India and Portugal and that Red Cross units are en route from Great Britain and Sweden and are about to leave the Netherlands and Norway.

2. The Swedish Red Cross is sending a hospital plane.

3. The Japanese Red Cross reported that it is sending "matériel sanitaire" for 10,000 wounded, no further details being known here.

4. I learn confidentially that the Committee has received a communication from the Italian Red Cross dated November 8 intimating that the organization known as "American Aid for Ethiopia" has not been recognized by the United States Government and is not entitled to recognition by the Italian military forces. It states that "if the American Aid for Ethiopia intends to limit its activity to the collection of funds, the Italian Red Cross can have no objection, but if such funds are intended to be used to send personnel and material until [*under?*] the emblem of the Red Cross, our society wishes to recall to the interested parties the exact observance of article[s] 10 and 11 of the Geneva Convention of 1906.[99] Under the circumstances the request of the Ethiopian Red Cross for recognition of the American Aid for Ethiopia has no legal basis."

In a reply drafted to this communication and awaiting signature by President Huber, the International Committee proposes to write as follows:

"It appears from confidential telegrams received by the League of Red Cross Societies from the American Red Cross that the activities of the so-called American Aid for Ethiopia Committee are at present limited to collecting funds and that it does not contemplate sending personnel to Ethiopia. Any American citizen proceeding to Ethiopia to offer services to the Ethiopian Red Cross and with the authorization of the American Government will have as sole protection his individual American passport. Under these conditions the 'American Aid for Ethiopia' does not seem to come within the category of formations contemplated in article[s] 10 and 11 of the Convention. Its recognition by the Ethiopian Government does not seem to have been accompanied by the required 'previous consent' of the American Government."

GILBERT

765.84/2937 : Telegram

The Chargé in Ethiopia (Engert) to the Secretary of State

ADDIS ABABA, December 6, 1935—4 p.m.
[Received December 6—2:10 p.m.]

209. Dessie was bombed this morning between 8 and 9 o'clock by about 10 Italian planes. American Seventh Day Adventists Hospital marked with Red Cross said to have been struck but no one hurt although two rooms said to have been destroyed. No foreigners reported killed or wounded, but about 25 natives. Reports so far conflicting. Shall report further as soon as I receive reliable news.

ENGERT

[99] *Foreign Relations*, 1906, pt. 2, p. 1559.

765.84/2974 : Telegram (part air)

The Consul at Geneva (Gilbert) to the Secretary of State

GENEVA, December 7, 1935—11 a.m.
[Received December 9—7 a.m.]

641. The Secretariat has circulated a telegram dated December 6 from the Emperor of Abyssinia protesting against indiscriminate Italian air bombardments. The Emperor stated that the bombardment of Dessie on December 6 "was established by four Red Cross doctors namely Doctors Dassius, Loeb, Schuppler and Bellot and by the representatives of the Associated Press, the *Times*, Reuter, *Chicago Tribune* and *Daily Express*." He added, "We have ourselves established the death of a tourist and of two children; and the American Hospital of Dessie, which carries with authorization the markings of the Red Cross, has been seriously damaged."

GILBERT

765 84/2963 : Telegram

The Chargé in Ethiopia (Engert) to the Secretary of State

ADDIS ABABA, December 7, 1935—3 p.m.
[Received December 7—2 : 15 p.m.]

211. My 209, December 6, 4 p.m. Have not yet heard from American mission at Dessie direct but from official version and reports from American newspapermen it appears that some 40 incendiary and explosive bombs were dropped on American mission and hospital compound of which 5 hit hospital building wrecking 2 rooms. Norwegian nurse there broke leg jumping into trench for shelter. All others including some 65 patients and American journalists on grounds had miraculous escape. Injured Norwegian nurse was brought to Addis Ababa by plane today. Unconfirmed report states one Belgian officer and one French journalist wounded and about 40 natives dead and 100 wounded.

Difficult to understand why American hospital should have been bombed as it lies outside city, is easily distinguishable by red crosses painted on roofs, had very large American flag flying and there were several ambulances with red crosses painted on tops standing near, one of which is reported to have been destroyed.

Have just learned Dessie was again bombed this morning but no details available as yet.

ENGERT

765.84/2962 : Telegram

The Chargé in Ethiopia (Engert) to the Secretary of State

ADDIS ABABA, December 8, 1935—9 a.m.
[Received 2 : 10 p.m.]

212. Foreign Office has just furnished me with copy of statement dated December 6, signed by Sorenson and Stadin of the American mission, Dessie, and by four other doctors at Dessie describing air raid essentially as reported in my 211, December 7, 3 p. m. They add that surgical tent of the ambulance number 2 about 200 meters from hospital was also hit and completely destroyed. They emphasize fact that hospital buildings and ambulances were clearly marked with red crosses and they protest to civilized world against "this atrocious cruel demonstration which is contrary to all conventions."

ENGERT

765.84/2967 : Telegram

The Ambassador in Italy (Long) to the Secretary of State

ROME, December 9, 1935—10 a.m.
[Received December 9—8 : 40 a. m.]

888. The *Messaggero* yesterday said that reports about the bombardment of an American Red Cross hospital at Dessie were pure anti-Italian propaganda for American consumption. The newspaper said editorially that from the military viewpoint there can be no doubt as to the legitimacy of the operation. Dessie was the headquarters of the Negus and there was a gathering of all the military chiefs in preparation for an offensive. Nothing could have been more natural than an Italian air attack—and it must be remembered that there was a very violent anti-air attack from the Abyssinians.

Italy, it points out, has consistently avoided bombardment of any non-military locality and has in particular respected Red Cross hospitals; she has in fact any number of times refrained from bombarding buildings that had the appearance of military character merely because they flew the Red Cross flag "to such a point that impartial observers wondered and even asked us if international scruples were not being carried to the point of ingenuity". It is, therefore, impossible that the Italian air force would have made an exception to this rule in the case of an American Red Cross hospital.

On the other hand, no notice had been given under article 11 of the Geneva Convention of 1929 of the existence of any American or other hospitals or sanitary organizations in the localities in question, whether Dessie or any other place, where operations are now proceeding. It

is pointed out that the bombardment of Gondar had previously been reported while it is now an ascertained fact that that city was never attacked.

LONG

765.84/2977 : Telegram

The Ambassador in Italy (Long) to the Secretary of State

ROME, December 9, 1935—1 p.m.
[Received December 9—9 : 35 a.m.]

890. *Piccolo* in a news despatch today reports about the bombardment and states that the news given out by the Abyssinian Government is false. It proceeds

"Our planes . . . attacked not a city but a true and proper military base populated exclusively by troops and bristling with cannons and machine guns. Dessie, as already reported, had been abandoned by the civil population to make way for the thousands upon thousands of regular and irregular troops.

These objectives—as evidenced by the photographs taken—were accurately identified although scattered throughout the ample valley of Dessie: these were the Ghebi, the powder house, the telephone central, the air field, the Italian Consulate, which had been transformed into Ethiopian military headquarters, and military camps.

The famous hospital was, according to official and press investigations, evacuated of all wounded; it housed only elements having nothing to do with the hospital, particularly military chieftains who had thought it prudent to hide under the Red Cross flag. The Ethiopians, in fact, use the Red Cross not for humanitarian purposes but to save their own skins; in fact almost all the tents in the military encampments and even the evacuated zones were conspicuously marked by the Red Cross."

LONG

765.84/2963 : Telegram

The Secretary of State to the Chargé in Ethiopia (Engert)

WASHINGTON, December 9, 1935—5 p.m.

129. Your 211, December 7, 3 p.m. Has the mission hospital at Dessie been incorporated into the Ethiopian Red Cross or into the sanitary formations of the Ethiopian Army, or is it functioning merely as an independent American institution? In the latter case it presumably had no right to the use of the Red Cross emblem under the Red Cross Convention signed at Geneva on July 27, 1929.

According to the Department's records American missionaries now maintain the following hospitals or clinics in Ethiopia: three at Addis Ababa and one at each of the following places: Gore, Sayo,

Soddu, Dessie and Debra Tabor. Please confirm this information and indicate which, if any, of these institutions have become affiliated with Ethiopian Red Cross or Ethiopian Army sanitary formations and which continue to function as purely American units.

HULL

765.84/3008a : Telegram

The Secretary of State to the Consul at Geneva (Gilbert)

WASHINGTON, December 9, 1935—6 p.m.

145. An Associated Press despatch from Addis Ababa states that representatives of the International Red Cross there have sent a formal protest to the League concerning the bombing of the American Seventh Day Adventist hospital at Dessye. A Reuters despatch from the same place states merely that seven doctors there have executed an affidavit concerning the bombing. A United Press despatch states that seven doctors have issued a formal protest.

Please telegraph any pertinent information available in Geneva, also whether International Red Cross authorities there recognize that hospital as being affiliated with their organization.

HULL

765.84/3009 : Telegram

The Consul at Geneva (Gilbert) to the Secretary of State

GENEVA, December 10, 1935—4 p.m.
[Received 4:05 p.m.]

645. Your 145, December 9, 6 p.m.

1. Secretary General has circulated a telegram dated December 7 which he has received from the Abyssinian Minister for Foreign Affairs quoting a declaration signed by seven doctors at the "Tafari Makonnen American Hospital" at Dessie the full text of which is understood to have been telegraphed by all American press representatives in Geneva.

2. I learn that accounts in the press that the Italian Government made a formal *démarche* with the Secretary General respecting their position in the bombardment of Dessie are not correct. I learn authoritatively that the circumstances are that the Italian representative here called on the Executive Secretary of the Secretary General and stated that he was not acting under instructions but merely wished to state orally his understanding through advices received from Rome that the Italian Government had not been apprised of the existence of an American hospital at Dessie and that their belief was that the

establishment did not have the status of a Red Cross hospital inasmuch as no recognition of such by the American Government had been notified to International Red Cross. There was furthermore justification from a military standpoint for the bombardment as a general staff headquarters of the Abyssinian Army was stationed in Dessie with a large concentration of troops. The Italian representative intimated that the Italian Government might formally communicate with the Secretary General in the above sense.

3. The International Red Cross states that the Tafari Makonnen Hospital at Dessie is affiliated with the Ethiopian Red Cross and is entitled to Red Cross protection. The Committee is unaware of any American affiliation of the hospital and respecting the communication cited in paragraph 1 informs me that so far as it knows none of the declarants are American citizens.

Circumstances of the bombardment as set forth in Ethiopian Government's communication to the League were telegraphed directly to the International Red Cross Committee by the Ethiopian Red Cross (Lambie) which formally protests against the "inhuman barbarous act" and requests that intervention be made in Rome to avoid repetition.

This communication was forwarded by the International Committee to the Italian Red Cross (Cremonesi) on December 9 with the request that the Italian Government investigate the allegations of the Ethiopian Red Cross. The communication terminates as follows:

"The Tafari Makonnen Hospital figures on the list addressed to you on November 6 of hospitals authorized to display the Red Cross. We did not know that it was an American mission hospital, but we take the liberty of reminding you that the missions at work on Ethiopian territory were mentioned in our telegram to you dated October 15 (see enclosure number 1 to Consulate's despatch No. 1494 of November 19[1]). Furthermore, a list such as that communicated to you is only intended for reference use when need arises and cannot include all stationary hospitals let alone field hospitals legitimately covered by the Red Cross. This emblem alone ought to be a sufficient guarantee of protection."

4. Subsequent to the despatch of the above to the Italian Red Cross the International Committee received by mail a message from the former dated December 7 disputing the veracity of a statement in the Ethiopian Government's communication to the League on December 6 (Consulate's 641, December 7, 11 a. m.) to the effect that "the American hospital at Dessie authorized to bear the Red Cross was severely attacked". The Italian Red Cross claimed that no duly recognized American hospital supported either by private initiative or by the

[1] Not printed.

American Red Cross is actually in operation in Ethiopia. It went on to refer to the lack of legal authority for use of the Red Cross by the sole American unit named in the International Red Cross telegraphic notification of October 15, that is, the "American Aid for Ethiopia" (see Consulate's telegram No. 105 [*605*] of November 18, 5 p. m., paragraph 4) and suggested that this showed that hospitals were not involved in the Dessie affair. The communication closed by requesting the International Committee to furnish any additional information which it might obtain in this connection and suggested that the Committee's own representatives in Addis Ababa verify the facts and take pains to see that the Red Cross emblem is not used in Ethiopia except in conformity with the provisions of the Geneva Convention.

The International Committee also informs me that one of its representatives in Ethiopia (Junod) who reached Dessie today has been informed by telegraph to submit a report on the occurrence. The Committee feels that the Italians will be meticulous in requiring all groups wishing Red Cross protection to comply with article 11 and other provisions of the Geneva Convention. It proposes to take no further action in the matter pending receipt of Mr. Junod's report.

GILBERT

765.84/3022 : Telegram

The Chargé in Ethiopia (Engert) to the Secretary of State

ADDIS ABABA, December 11, 1935—11 a.m.
[Received 3:20 p.m.]

218. Department's 129, December 9, 5 p.m. Dr. Lambie, Secretary of Ethiopian Red Cross, informs me Seventh Day Adventist Hospital at Dessie was regularly incorporated in the Ethiopian Red Cross and registered in Geneva as such.

Also so incorporated and registered Seventh Day Adventist Hospital, Presbyterian Mission Hospital and Leper Hospital of Sudan Interior Mission all three at Addis Ababa.

Likewise Seventh Day Adventist Hospital at Debra Tabor but no Americans working there at the present time.

Clinics at Gore, Sayo and Soddu are not affiliated with Red Cross because too far from the front.

Dr. W. H. Hockman of the Presbyterian Mission is in charge of ambulance No. 1 at Dagabur on the Ogaden front. Geneva was notified. F. L. Russel of the same mission is volunteer Red Cross worker at Dessie.

ENGERT

765.84/3022

Memorandum by the Chief of the Division of Near Eastern Affairs (Murray) to the Secretary of State

[WASHINGTON,] December 12, 1935.

MR. SECRETARY: We have discussed with the Legal Adviser's Office the question presented by the recent bombardment of the Seventh Day Adventist Hospital at Dessie by Italian airplanes. The facts in the case and our conclusions as to possible action are as follows:

1. Statements from missionary doctors and newspaper correspondents make it clear that the hospital was severely bombed on December 6th despite the fact that it was plainly marked with numerous red crosses and was flying a large American flag. According to reports from the Chargé d'Affaires at Addis Ababa, the hospital building is located at some distance outside of the town of Dessie. At the same time it seems clear that substantial numbers of Ethiopian troops were concentrated in the vicinity of Dessie and it is an established fact that the Emperor was in the city, and apparently nearby the hospital.

3 [2]. Reports from both the Chargé d'Affaires at Addis Ababa and from the Consul at Geneva make clear that the hospital was affiliated with the Ethiopian Red Cross and consequently entitled to the protection accorded by the Red Cross Convention of 1929. In this connection it is pertinent to mention that foreign Red Cross establishments operating as such in belligerent territories are entitled to the protection of the Convention only in those cases where the Government of the establishment in question has given its approval to the organization. We have not given our approval to the establishment at Dessie or to any other organization of a similar character operating in Ethiopia. Nevertheless, since the hospital at Dessie is duly recognized by the Ethiopian Red Cross, and thus entitled to the protection of the Convention, it might be asserted that this Government has a secondary interest in the institution not only because the hospital is to considerable extent, if not entirely, an American organization, but also because the United States is a party to the Red Cross Convention.

3. The Consul at Geneva has learned that the International Red Cross has forwarded to the Italian Red Cross a copy of the protest against this bombardment executed by the Ethiopian Red Cross and transmitted to Geneva by the Ethiopian Government. In conveying this protest to the Italian Red Cross the International Red Cross authorities requested that the Italian Government investigate the allegations of the Ethiopian Red Cross and added the following statement:

"The Tafari Makonnen Hospital figures on the list addressed to you on November 6 of hospitals authorized to display the Red Cross. We did not know that it was an American missionary hospital, but we take the liberty of reminding you that the missions at work on Ethiopian territory were mentioned in our telegram to you dated October 15. Furthermore, a list such as that communicated to you is intended only for reference use when need arises and cannot include all stationary hospitals let alone field hospitals legitimately covered by the Red Cross. This emblem alone ought to be sufficient guarantee of protection."

4. It seems clear from the foregoing that the appropriate international body, the International Red Cross at Geneva, has already brought the protest of the Ethiopian Red Cross to the attention of the Italian authorities. Nevertheless, it might well be said that we might likewise be justified in bringing the matter to the attention of the Italian authorities on two grounds: (1) the American character of the institution which was injured and (2) as a signatory of the Red Cross Convention we have a secondary interest in seeing that the provisions of the agreement are carried out with respect to American institutions, even those institutions which are operating in the war zone without the approval of this Government.

5. On the other hand, it must be borne in mind that we have urged American missionaries in Ethiopia on numerous occasions to leave the country. If, acting contrary to our advice, they continue to remain in the danger zone it is at their own risk and we have a clear right to refuse to afford them protection if such seems to be the proper course. Furthermore, it is not apparent that a protest if made to the Italian authorities would have any greater effect than that already made by the International Red Cross authorities. In addition it is not altogether clear that the hospital at Dessie is a 100 per cent American institution.

6. We are informed in the latter connection by the Seventh Day Adventist headquarters here in Washington that the land on which the hospital is built was furnished by the Ethiopian Emperor who likewise contributed 15,000 thalers (about $5,000 at the then existing rate of exchange) toward the cost of the building. The Adventist headquarters is rather certain that the deed to the property is held by their organization or by one of its members, but before advising us officially to that effect they consider it necessary to obtain information from their London office which has direct supervision over Ethiopian activities of the church. Apparently the bulk of the funds used in supporting the hospital come from the United States but it is possible that funds are contributed from various European countries where the church has branches. Moreover, we know definitely that some of the personnel of the hospital are not American citizens.

7. The Seventh Day Adventist headquarters here have also raised

informally the question of submitting a claim to the Italian Government for the damage done to their property at Dessie. The Legal Adviser's Office is of the opinion that such a claim could be supported only if it can be shown that the hospital was immune from attack (that now seems to be the case) and that the building was damaged not merely as a casualty of war but was wilfully attacked. It would be most difficult to establish that the Italian attack was wilful, for the Italian authorities would undoubtedly contend that the bombardment was intended as an attack upon the concentration of Ethiopian troops at Dessie and that the falling of bombs on the hospital was an incident which could not be avoided unless the Italian planes descended to an altitude which would have unduly exposed them to Ethiopian fire. Under the circumstances it seems unlikely that a claim could be established.

8. In view of all the circumstances as set forth above, it would appear to be wise to refrain from making any protest to the Italian Government at this time.

9. It would appear to be proper, however, to consider the advisability of bringing to the attention of the Italian Government the fact that several American institutions are located in provincial towns in Ethiopia and request that this information be brought to the knowledge of Italian military authorities in East Africa. Similar action, it will be recalled, was taken with respect to American institutions at Addis Ababa and there is no good reason why the same information should not be conveyed with respect to property outside the capital. Before taking even that action, however, it would seem to be prudent to obtain definite information from the missionary organizations in the United States as to the extent of American interests in their lands and buildings in Ethiopia. If you agree with this conclusion we shall communicate with the missionary organizations here and seek the information desired.

WALLACE MURRAY

765.84/3405

The Consul at Geneva (Gilbert) to the Secretary of State

No. 1541 Political GENEVA, December 27, 1935.
[Received January 10, 1936.]

SIR: I have the honor to refer to my telegram No. 645 of December 10, 4 p. m., concerning the action taken by the International Committee of the Red Cross in Geneva with regard to the bombing of the Tafari Makonnen (American) hospital at Dessie by Italian airplanes, and to report that a communication has been received by the Committee from the Italian Red Cross in reply to the former's request that the Italian Government investigate the charges of the Ethiopian Red Cross.

The Italian Red Cross' reply, which is dated December 18, merely transmitted the text of the note addressed by the Italian Government to the Secretary-General of the League of Nations on December 13, 1935, stating (1) that Dessie is a large military concentration point and that "no open town has ever been bombed by the Italian air force in East Africa"; (2) that the Italian Government has received no notification, in accordance with article 11 of the Geneva Convention, of the presence of an American formation with the Ethiopian forces; (3) that Abyssinian medical formations "wishing to avoid any risk must place themselves at a sufficient distance from military objectives and remain completely isolated" and (4) that indiscriminate use of the Red Cross "subverts the whole foundation of any international convention concluded with humanitarian motives". (Consulate's telegram No. 650, December 13, 5 p. m.[2]).

It is my understanding that the International Committee will in all probability take no action in the matter beyond what it has already done, that is to inform the Italian Government through the intermediary of the Italian Red Cross that the Tafari Makonnen hospital at Dessie figured on the list of hospitals authorized to display the Red Cross, and to request the Italian Government (as it did on December 9) to investigate the protest of the Ethiopian Red Cross concerning the bombardment of the hospital in question.

The Committee believes, I am told, that it has proceeded as far as it can in the exercise of its good offices in this matter, but it points out that under the Geneva Convention of July 27, 1929 the Ethiopian Government remains free to request that an investigation be opened on the subject of any alleged violation of the Convention by Italy. The pertinent clause of the Convention is Article 30 which is worded as follows:

"Article 30.—At the request of a belligerent, an inquiry shall be opened, in accordance with whatever method may be determined by the interested parties, on the subject of an alleged violation of the Convention; once a violation is established, the belligerents will bring it to an end as soon as possible and prevent its reoccurrence."

The Committee is persuaded that the International Red Cross' opportunities for useful service are primarily based on its strict observance of complete neutrality and it consequently prefers not to press the matter any further on the attention of Italy. It has received an account of the bombardment from Dr. Marcel Junod, a member of its mission* in Ethiopia which has not been made public due to its anxiety to refrain from taking any step which might in any way be

[2] Not printed.

*Composed of Mr. Sidney H. Brown (Dutch), member of the permanent staff of the International Committee of the Red Cross, and Dr. Marcel Junod (Swiss). [Footnote in the original.]

detrimental to the Committee's neutral standing. But from what was nevertheless intimated to me in this connection, Dr. Junod's report is substantially a confirmation of the facts set forth in the protest, signed by the doctors at the bombed hospital, communicated by the Ethiopian Government to the Secretary-General of the League of Nations on December 7, 1935 (League Document No. C.474.M.250.-1935.VII, transmitted as Enclosure No. 8 to List 217 dated December 11, 1935).

The Committee's general willingness to cooperate with the Consulate has, however, enabled me to obtain a copy of a letter addressed to the Committee on December 17 by the Northern European Division of the General Conference of the Secretary of the Seventh Day Adventists referring to arrangements made "to register" three hospitals operated by the Seventh Day Adventists at Dessie, Addis Ababa, and Debre Tabor, as units entitled to Red Cross protection, and asking the International Committee to protest against the bombing of the hospital at Dessie and request that the other two hospitals be respected.† A copy of this letter is transmitted herewith [3] for the Department's information, and there is quoted below a translation of the Committee's reply dated December 23, 1935:

"We have received your letter of December 17 relative to the protection of your medical work in Ethiopia.

We have the honor to inform you that the Ethiopian Red Cross notified us by telegram dated October 15 (Enclosure No. 1 to Consulate's despatch No. 1494 Political of November 19 [3]) that the Ethiopian Government had accepted the aid of the missions operating on Ethiopian territory. We transmitted this information to the Italian Red Cross in order to have it brought to the attention of the Italian Government.

Consequently, your missions, being affiliated with the Ethiopian Red Cross, can fly the sign of the Red Cross.

Furthermore, we transmitted a first list of stationary units entitled to carry the Red Cross, to the Italian Red Cross on December 6, 1935. Your hospitals at Addis Ababa, Dessie, and Debre Tabor figure on this list.

(Signed): Col. of Div. Guillaume Favre
Vice President of the Int. Committee
of the Red Cross."

With regard to the complaint made by the Italian Government on December 13, and previously on October 6, concerning alleged indiscriminate use of the Red Cross in Ethiopia, I am informed that this matter was brought to the attention of the Ethiopian Minister for

†The names of the hospitals at Addis Ababa and Debre Tabor also appear on the list of hospitals entitled to Red Cross protection which was forwarded to the Italian Government on December 6 by the International Committee through the intermediary of the Italian Red Cross. [Footnote in the original.]

[3] Not printed.

Foreign Affairs and to the Managing Committee of the Ethiopian Red Cross (Dr. Lambie), by the two representatives in Ethiopia of the International Committee of the Red Cross. (Messrs. Brown and Junod). Mr. Brown reported to the Committee in Geneva that the Foreign Minister and the Ethiopian Red Cross officials had reminded him that the Red Cross was still new in Ethiopia and that it was to be expected that many would wish to use it to protect their own homes. They stated that a law would be drawn up to prohibit the showing of a red cross on a white background, except to designate structures "effectively under the authority of the Red Cross Society, on ambulances, etc.". Mr. Brown added that, in accordance with the advice of Mr. de Gielgud of the League of Red Cross Societies, Dr. Lambie (Ethiopian Red Cross) had begun to keep a register of buildings entitled to Red Cross protection to be communicated to the Italian Red Cross. The first names on this register appear to have been those which were forwarded to the Italian Red Cross by the International Committee in Geneva on December 6, namely:

1. Soudan Interior Mission, hospital and buildings, Fouri.
2. Tafari Makonnen Hospital, Harrar.
3. Zaouditou Memorial Hospital, Addis Ababa.
4. Tafari Makonnen Hospital, Dessie.
5. Haile Selassie I Hospital, Debre Tabor.
6. Tafari Makonnen Hospital, Addis Ababa-Goulale.
7. Hermannsburger Mission, Addis Ababa.
8. Hospital of the Mission Consolata, Addis Ababa.

Respectfully yours, PRENTISS B. GILBERT

IRAN

PRELIMINARY DISCUSSIONS RESPECTING A TRADE AGREEMENT BETWEEN THE UNITED STATES AND IRAN

611.9131/57

Memorandum by the Assistant Chief of the Division of Near Eastern Affairs (Alling)

[WASHINGTON,] April 2, 1935.

The Iranian Minister [1] called today on Mr. Sayre [2] regarding the proposed American-Iranian trade agreement. The Minister stated that his Government had instructed him to point out the facilities which it was now according to the American automotive trade. In this connection the Minister stated that the Iranian Government was of course levying no import duty on American automobiles in the lower price class, that it had recently changed the method of valuing cars to the advantage of automotive exporters, and that it had abolished registration fees for automotive vehicles. Under the circumstances there was little that the Iranian Government could offer to the United States in return for a reduction of the American import duty on carpets. It was prepared, however, to reduce the amount of "exporters exchange", which dealers were at present required to purchase, or, if the American Government insisted, the Iranian Government was even prepared to abolish the exporters exchange requirements entirely. (N.B. This is the first intimation we have had that the Iranian Government was willing to do away entirely with exporters exchange requirements. Reports from the Legation at Teheran indicate that the Iranian authorities there have offered merely to reduce the amount of exporters exchange.)

The Minister inquired whether, in view of the above considerations, this Government was willing to reduce the import duty on Iranian rugs. Mr. Sayre stated that he could of course give no assurances on this point until we had had an opportunity to study the question, but he assured the Minister that this study would be undertaken at the earliest possible moment. Mr. Sayre suggested further that the Minister furnish him with a written communication setting forth the statements which he had made orally. The Minister agreed to take such action.

[1] G. Djalal.

[2] Francis B. Sayre, Assistant Secretary of State.

611.9131/58

Memorandum by the Under Secretary of State (Phillips)

[WASHINGTON,] April 18, 1935.

The Iranian Minister called this morning to say that he had received further instructions from his Government to press for a trade agreement with the United States. He said the situation had so developed in Iran that it had become necessary to stimulate their export trade and that they were ready, therefore, to make an advantageous agreement with us; he reminded me of the extensive road building that had been going on and of the demand for American automobiles;—they were on the free list, as were also automobile parts; their principal request would be reduction of the tariff on Iranian rugs; the duty was exorbitantly high, but, in spite of that fact, he added, seven million dollars worth of rugs had been brought into this country last year. The Minister also mentioned that they would request a reduction in the duty on dried fruits.

We discussed the difficulties surrounding both these items and the Minister mentioned the third item in which his Government was particularly interested, namely, caviar. He said that a large part of the so-called "Russian caviar" was, in fact, Iranian, which was exported to Russia by Russian-Iranian companies and again exported from Russia to the United States; it was the desire of the Iranian Government now to inaugurate an export trade of caviar directly to the United States.

The Minister said that he had discussed this whole matter with Mr. Sayre, who had promised to give it careful consideration. I explained that we were, of course, interested, but that, in view of the pressure of work of the Trade Agreements Section owing to the negotiations which we were now engaged in and the preparation of diserata [*desiderata?*] for other agreements, I had some doubt whether we were in a position to undertake a serious study at once of an Iranian trade agreement; I could assure him, however, that, in view of his Government's interest, we would give the matter our most serious consideration.

WILLIAM PHILLIPS

611.9131/61 : Telegram

The Secretary of State to the Minister in Iran (Hornibrook)

WASHINGTON, May 15, 1935—5 p.m.

14. In the light of the information contained in your despatches No. 364 of February 26, No. 375 of March 9, and No. 381 of March

18,[3] it would appear that there exists a reasonably satisfactory basis for going forward with the proposed trade agreement negotiations. You should therefore inform the Ministry of Foreign Affairs that the Legation is prepared to initiate formal discussions on the following basis which, if confirmed by the Iranian Government, will permit the issuance of public notice of intention to negotiate a trade agreement with Iran.

(1) The Government of the United States is not unmindful of the present facilities afforded by the Iranian Government to the trade in automobiles, spare parts and accessories, tires and tubes, but it is concerned about certain existing and possible future obstacles to the sale of such American products in Iran. In this connection it is to be understood that the Iranian Government will be willing to give assurances that no unfavorable change will be made in the present customs tariff on automotive vehicles and that the importation or sale of automotive products in general will not be subjected to a monopoly régime as long as the proposed trade agreement remains in force. It is also to be understood that the Iranian Government is prepared to consider reducing or abolishing altogether the amount of so-called exporters' exchange which importers of automotive products have been required to purchase and that such assessment will not be replaced by any fee or tax approximately equivalent thereto as described in the Consulate's weekly economic report of March 18. This Government will expect assurances that the Iranian Government would not adopt any new measures unfavorable to the trade in American automotive and other products pending the outcome of the proposed trade agreement negotiations.

(2) This Government on its part is prepared to give consideration to a reduction of the duty on rugs under paragraph 1116 (*a*) of the Tariff Act of 1930,[4] the exact nature and extent of such reduction to be decided upon after the views of interested persons in the United States have, in accordance with existing requirements, been submitted and considered and after the exact nature of the concessions which the Iranian Government is willing to grant has been made clear during the course of the proposed negotiations. It is understood furthermore that other commercial matters of interest to the two governments may be included in these negotiations.

(3) The Department greatly prefers to negotiate a trade agreement embodying general provisions of the sort included in the agreements recently concluded between the United States and certain other countries. If the Iranian Government insists upon the agreement

[3] None printed.
[4] 46 Stat. 590.

836401—53——64

taking the form of an exchange of notes, the Department would consent to this procedure upon the understanding that such exchange of notes would embody the so-called standard general provisions for inclusion in trade agreements,[5] a copy of which is being forwarded to you by mail. You should emphasize the fact that this Government attaches great importance to the general provisions in the form in which they now stand and that it believes these provisions form a sound foundation upon which to build up the mutually profitable trade between the United States and Iran.

If the reply of the Iranian Government to the views set forth above is favorable, the Department will advise you as to the date on which it would be prepared to make formal announcement of intention to negotiate, after which the two governments may proceed to work out the specific provisions of the proposed agreement. It is understood of course that these negotiations would take place at Teheran.

You should keep the Department informed of developments by cable.

HULL

611.9131/74

The Iranian Ministry for Foreign Affairs to the American Legation in Iran[6]

[Translation]

No. 37498/4083 TEHERAN, November 21, 1935.

NOTE VERBALE

Pursuant to the conversations held between Their Excellencies Mr. Soheily and the American Minister on the 26th of the current month of Aban (November 18, 1935), regarding customs import duties on Iranian carpets entering the United States of America, the Imperial Ministry of Foreign Affairs has the honor to state, as orally explained in said interview, that previously the Secretary of the American Legation, in his conversations with the pertinent sections of the Imperial Ministry of Foreign Affairs, had asserted that the American Government has agreed to a reduction in its tariff on Iranian carpets on the following conditions:

First: Present facilities with regard to the importation from America of motor cars and their spare parts should be continued as heretofore.

Second: American motor cars should not be subjected to an automotive trade monopoly regime.

[5] See enclosure 2 to circular instruction, dated June 6, p. 541.

[6] Transmitted to the Department by the Minister in Iran in his despatch No. 634, November 25; received December 16.

Third: The requirement to purchase exporters' dollar (exchange) for American automobiles should be abolished or at least a reduction should be made therein and new charges should not be assessed. Furthermore, he had added that these facilities be maintained in respect of American automobiles for a period of five months in order to enable the American Government, through reference to parties concerned, to determine the rate of reduction in import customs duty on Iranian carpets which it may be possible to accord.

As it was verbally explained in view of the desire which the Iranian Government authorities have for increased trade relations between the two countries and in accordance with the request of the Legation, they have agreed not to introduce any changes, for a period of five months, in the present condition of automobile trade and the commercial facilities at present extended to this commodity. On the other hand they hope the American Government will, during this period, make a substantial reduction which will have a practical effect on Iranian carpet exports. And this arrangement is to be regulated through the conclusion of a trade agreement between the two governments. In any event it is evident that future decisions of the Iranian Government with regard to requirements for the importation of automobiles will depend on decisions to be taken by the American Government concerning the reduction of its tariff on carpets.

611.9131/77

Memorandum by the Second Secretary of Legation in Iran (Merriam) to the Minister (Hornibrook)[1]

From a reading of the file on the proposed reciprocal trade agreement with Iran, it appears that most if not entire attention will be devoted, in the negotiations, to concessions affecting automobiles, parts, tires and tubes on one side, and wool rugs on the other. There can be no doubt of the overwhelming importance of these commodities in the trade relations of the two countries at the present time, but largely for my own satisfaction I have gone through the trade statistics of the United States and Iran with considerable care in order to discover whether or not some thought might be given to the trade in other goods in the coming negotiations. While the result of this little investigation was negative, it may be well, for the purpose of record, to give a brief summary of the matter.

The only articles in which there is trade of any importance are listed in the following tables, together with the pertinent figures from the Iranian statistics.

[1] Copy transmitted to the Department by the Minister in his despatch No. 667, December 27, 1935; received January 24, 1936.

Iranian Exports to the United States

June 22, 1933–June 21, 1934

Rugs, all kinds	$3,609,571
Sausage casings	586,495
Gum tragacanth	211,311
Skins, raw	114,967
Objects in mosaic	46,259
Fruit, fresh or dry	41,198
Fabrics, pure cotton (Ghalamkar)	22,122
Sheepskins, raw	20,280
Minerals, raw	18,812
Metals	5,457
Miscellaneous	9,784
	$4,686,256

United States Exports to Iran

June 22, 1933–June 21, 1934

Automobiles and Trucks (free–10%)	$2,074,685
Spare parts, tires & tubes (free)	838,392
Typographic and lithographic products (12%–25%)	186,910
Railway materials (5%–10%)	152,905
Haberdashery, toys and hardware*	47,971
Machines and parts*	45,016
Machine oils (Rls .52 per 6.5 lbs)	35,180
Iron, cast iron and steel in ingots, etc.*	24,728
Prepared skins*	20,826
Tools, mechanical (6%–10%)	15,962
Pharmaceutical specialties (20%–40%)	11,869
Tools, hand (6%–10%)	10,047
Furniture and furnishings*	8,376
Other drugs (5%–10%)	4,267
Chemical products of all kinds (10%–30%)	4,232
Nails, screws, rivets, etc. (5%–12%)	3,663
Cotton cloth of all kinds*	3,629
Miscellaneous*	20,492
	$3,509,150

Requirements for exporters' exchange (Rials 28.28 per $1, as against current rates of approximately Rials 19.5 equal $1):

Motor trucks	20%
Passenger cars	20%
Spare parts	10%
Tires and Tubes	10%

Export certificates to 117.7% of the value of the goods for which import licenses are desired must be purchased in each case. These

*These items lump together several customs classifications, consequently the rates of duty on the articles included vary considerably. [Footnote in the original.]

certificates are sold by the Government (which buys them for 10%) for 15% of the face value.

BALANCE OF TRADE

Exports from Iran to the United States	$4,686,256
Imports into Iran from the United States	3,509,150
Favorable balance to Iran	$1,177,106

IRANIAN IMPORTS IN FRANCHISE

Iranian imports from the United States in franchise (not included in the above figures)	$24,172

It is evident from the foregoing that practically all of the products of lesser importance which are imported by the United States from Iran are now admitted free of duty. On the other hand, the products of lesser importance exported by the United States to Iran are for the most part subject to low rates. The only question arising, with respect to duty, is whether or not it would be wise to bind the rates, by agreement, where they stand. There would seem to be no reason to do so because such duty-free goods as sausage casings, gum tragacanth, hides and skins are required from abroad by American industry, and such low-duty goods as machinery, tools and engine oil are required from abroad for the current needs and economic upbuilding of Iran, and in the ordinary course there is no good reason for the non-producer to levy heavy duties on needed commodities. Moreover, as Iran would be the chief beneficiary from binding the exemptions, the initiative would logically come from her.

Generally speaking, in view of the trade balance in favor of Iran, there is no reason why the Iranian Government should become anxious over granting facilities for the importation of American automobiles; on the other hand, this trade balance is such a small matter to us when our total foreign trade is considered (we had a favorable balance ourselves of some 200 million dollars in 1933) that we could scarcely begrudge the Iranians an extension of their trade in rugs if they are willing to compensate to a satisfactory extent in regard to automobiles. Under all the circumstances, they appear to have more reason to reach an agreement than ourselves, though, of course, both countries would benefit.

GORDON P. MERRIAM

TEHERAN, December 14, 1935.

RESERVATION OF AMERICAN RIGHTS AGAINST IRAN'S ATTEMPT BY UNILATERAL ACTION TO EXTEND ITS EXCLUSIVE JURISDICTION OVER COASTAL WATERS BEYOND THE THREE-MILE LIMIT

891.0145/9

The Minister in Persia[8] *(Hornibrook) to the Secretary of State*

No. 193 TEHERAN, August 28, 1934.
[Received October 3.]

SIR: I have the honor to transmit herewith a translation of an Act which was introduced in the Majlis on June 24, 1934, and which was approved by that body on July 15, 1934.

The new legislation will be of special interest to the Department because of the claims now being asserted by the Persian Government for sovereignty over the Islands of Bahrein.[9]

Respectfully yours, WM. H. HORNIBROOK

[Enclosure—Translation]

Law Delimiting Coastal Waters and Controlling Zone Voted on July 15, 1934

CHAPTER I. THE LIMIT OF COASTAL WATERS AND CONTROLLING ZONE

Article 1.—That portion of the sea at a distance of six nautical miles from the lowest ebb-tide and extending parallel therewith all along the coasts is considered Persia's coastal waters and everything in this zone above and below the surface thereof belongs to Persia. Moreover, to enforce certain laws and agreements relating to security, defense and interests of the country and to naval traffic control another zone known as the naval controlling zone over which the Imperial Government has the right of control extends within a distance of twelve nautical miles from the lowest ebb-tide and parallel with the coast.

(Note: A nautical mile is 1852 meters.)

Article 2.—As to bays (small gulfs) the border of littoral waters starts with a straight line extending from one extremity of the mouth of the bay to the other. Should the mouth of the bay exceed ten nautical miles in width the coastal water line will be located at the nearest place where the bay joins the sea with a width not exceeding ten nautical miles.

In the case of seaports the limit of littoral waters begins with a line located between the foremost fixed port structures in the sea.

[8] Use of the name "Persia" was not discontinued until March 22, 1935.
[9] See *Foreign Relations*, 1934, vol. II, pp. 890 ff.

Article 3.—Any island belonging to Persia will have its own littoral waters with borders defined in the manner provided in the first part of Article 1. In the case of an archipelago, the islands forming it will be considered tantamount to one island. Littoral waters of an archipelago will be measured from islands farthest from the center of the archipelago.

CHAPTER II. CONDITIONS FOR ENTRY AND ANCHORAGE OF FOREIGN WAR VESSELS IN PERSIAN WATERS AND THE PROCEDURE PRESCRIBED THEREFOR

Article 4.—Foreign war vessels and submarines have the right of harmless passage in Persian littoral waters provided they sail on the surface of the sea unless said vessels belong to belligerent states in which case state regulations and international rules governing war times and respect of neutrality are enforced.

The conditions of passage of war vessels, which form the subject of the first part of this article, will be determined by special regulations with particular reference to number.

Article 5.—The conditions of anchorage of foreign war vessels in Persian littoral waters will also be defined by special regulations. Said vessels must observe Persian laws and regulations in the waters forming the subject of this law.

Article 6.—The Government can forbid the passage and/or anchorage of foreign war vessels at certain seaports or in parts of littoral waters in the interest of the defense of the country or for other important reasons. Said seaports and parts (waters) will be known as prohibited zones.

Article 7.—On condition of reciprocity foreign war vessels are exempt from customs examination. Customs duties will be collected only on merchandise unloaded at the coast for purposes of consumption. On condition of reciprocity said vessels are exempt from tonnage and similar charges.

Article 8.—Persian authorities are not qualified to examine and prosecute misdemeanors and crimes committed on board foreign war vessels. Death sentences handed down by foreign authorities cannot be executed on Persian littoral waters and in the Persian naval controlling zone.

This law consisting of eight articles was voted by the Majlis (Persian Parliament) in its session of Tirmah 24, 1313 (July 15, 1934).

DADGAR
President of the Majlis

891.0145/11

The Secretary of the Navy (Swanson) to the Secretary of State

WASHINGTON, February 12, 1935.

SIR: Reference is made to your letter of December 12, 1934, File NE 891.0145/9 & 800.3391/1,[10] inclosing copies of despatches No. 193 of August 28, 1934, and No. 224 of September 25, 1934,[11] from the American Minister at Teheran concerning legislation and regulations recently adopted by the Persian Government with respect to the limits of Persian coastal waters and the conditions of passage and sojourn of foreign warships in Persian waters and ports. The comments of the Navy Department have been requested on this subject.

Reference is also made to your letter of January 30, 1935, File NE 891.0145/10, inclosing a copy of despatch No. 1167 of January 17, 1935,[12] dealing with the attitude of the British authorities towards the provisions of the legislation in question.

The Navy Department recommends that the United States Government decline to recognize any law, regulation or declaration issued by a foreign government which does not conform to the generally accepted principle that the territorial waters of a State do not extend beyond the limit of three marine miles. Claims of territorial jurisdiction by a foreign government over waters adjacent to its continental boundaries beyond the three marine miles is an attempt to appropriate the high seas to the exclusion of other nations. This can only be made effective by a general international agreement.

Respectfully, CLAUDE S. SWANSON

891.0145/12

The Secretary of State to the Minister in Iran (Hornibrook)

No. 108 WASHINGTON, March 25, 1935.

SIR: Reference is made to your despatches No. 193 of August 28, 1934 and No. 224 of September 25, 1934,[11] concerning legislation and regulations recently adopted by the Persian Government with respect to the limits of Persian coastal waters and the condition of passage and sojourn of foreign warships in Persian waters and ports.

You are requested to deliver to the Persian Foreign Minister a note in the following sense setting forth the attitude of the United States Government with respect to the provisions of the legislation in question:

[10] Not printed.
[11] Latter not printed.
[12] Neither printed.

"The Government of the United States has noticed the publication in the Persian press of the Persian law of July 15, 1934, and the Regulations based thereon, which purport to extend the dominion of Persia over the sea adjacent to its coasts beyond the three mile limit generally recognized by international law and practice.

Since the right of nations to exercise exclusive jurisdiction over a part of the sea adjacent to their coasts is derived from the law of nations, it is clear that no nation may legally extend or enlarge that jurisdiction by its unilateral action. Accordingly, the Government of the United States cannot recognize as valid the legislation under reference in so far as it purports to extend the dominion of Persia over the sea beyond three miles from its coast and it is impelled, therefore, to make full reservation of all its rights and the rights of its nationals."

Very truly yours, CORDELL HULL

LIBERIA

RECOGNITION BY THE UNITED STATES OF THE ADMINISTRATION OF PRESIDENT BARCLAY UPON EVIDENCE OF THE LIBERIAN GOVERNMENT'S INTENTION TO CARRY OUT CERTAIN REFORMS [1]

882.01 Foreign Control/936 : Telegram

The Chargé in Liberia (Hibbard) to the Secretary of State

MONROVIA, January 16, 1935—4 p.m.
[Received January 17—12 : 33 a.m.]

2. For McBride.[2] My 50, November 13, 4 p. m.,[3] last paragraph. The British Chargé d'Affaires and I have had several conferences on the subject of present conditions on the Kru coast and we have talked with a number of the members of the dissident tribes as well as with the Secretary of State and Fredericks, the County Superintendent at Cape Palmas. It is our conclusion that the Kru tribe is not being oppressed at present, that conditions are no worse there than at other points in the interior and that the Liberian Government has made a sincere effort to come to terms with the Chief. Nimley [4] however refuses to submit to any regulations of the Government which are in force in other districts and encourages the tribe in open though at present passive opposition to all government authority. He bases this attitude on promises he alleges he received from Mackenzie when the latter was sent on a peace mission to that area by the League [5] and says he will not do so until told to do so by another representative of the League or some other "white man". We have received this information on numerous occasions by personal messenger from him.

We have also been shown a letter from Mackenzie to the Liberian Government in which he states that no promises of the character alleged were ever given by him. This statement has also been circulated by the League. The situation therefore seems to have reached an impasse.

With the knowledge of his Foreign Office the British Chargé d'Affaires in an effort to have this matter peacefully and definitely settled has proposed to the Liberian Government that a letter from

[1] For previous correspondence regarding Liberia, see *Foreign Relations*, 1934, vol. II, pp. 788 ff.
[2] Harry A. McBride, Assistant to the Secretary of State.
[3] Not printed.
[4] Chief of the disaffected Krus.
[5] For report by Dr. M. D. Mackenzie, see League of Nations document C.-662. M. 319. (1932. VII).

his Government advising submission be delivered to Nimley by one of the Irish Catholic priests who lives in that area and is well liked there. The Liberian Government has accepted this proposal although reluctantly as they obviously resent outside intervention in what they consider purely an internal matter, with the proviso that the Liberian Government approves the letter before delivery and that the bearer be accompanied by a Liberian official presumably Fredericks. The Chargé d'Affaires has submitted a draft note to his Government for approval. It is my understanding that the British Foreign Office will consult the Department of State in the matter as they desire that the two Governments act jointly by sending identic or similar notes to Nimley. The Liberian Government has been informed of our consultation here and we have said we will take no action without their knowledge.

In my opinion the Liberian Government is ready to try this course provided the proprieties are observed in consulting them especially as such a course would remove much of the criticism now directed at them in England. From my talks with the representatives of the tribe I also feel that they are ready to submit particularly if clemency is granted Nimley which the British will suggest. In any case I think this is worth a trial as no other feasible solution short of the use of military force has been offered.

I would appreciate your views and instructions as I have made it clear that I can take no action whatever without them.

In view of the continued delay in Firestone's [6] arrival the President has decided to leave for the interior January 19, returning about March 1st. He has so advised Firestone.

HIBBARD

882.01 Foreign Control/938

The British Ambassador (Lindsay) to the Secretary of State

No. 17 WASHINGTON, January 17, 1935.

SIR: Under instructions from His Majesty's Principal Secretary of State for Foreign Affairs, I have the honour to refer to the Note No. 882.01 Foreign Control/841 [7] which you were so good as to address to me on the 17th October last, and to convey to you an expression of his thanks for your courtesy in furnishing His Majesty's Government in the United Kingdom with a copy of Mr. McBride's able and most interesting report [8] regarding the present situation in Liberia.

After the most careful consideration of the views expressed in Mr. McBride's report, and in your Note under reference, Sir John Simon

[6] Harvey S. Firestone, Jr., president of the Firestone Plantations Company.
[7] *Foreign Relations*, 1934, vol. II, p. 825.
[8] *Ibid.*, p. 806.

finds himself in cordial agreement with the opinion that, in all the circumstances, President Barclay is entitled to proceed with his own reform plan and to engage the services of foreign advisers of his own choosing for the purpose of giving effect to it. Mr. McBride's report indicates that the Liberian Administration are in fact animated by a desire to introduce those very reforms which the enquiry into local conditions conducted under the auspices of the League of Nations showed to be essential for the welfare of the Liberian people; and, this being the case, His Majesty's Government in the United Kingdom will be happy to adopt the same course as the Government of the United States in encouraging President Barclay to carry out his proposals, and in seeking their amplification along the lines laid down in the League Plan.

As the United States Government are aware, His Majesty's Government's main preoccupation in Liberia relates to the position of the Kru tribes, who have suffered from considerable persecution; Sir John Simon observes, however, that this aspect of the Liberian problem is not referred to in your Note. Nevertheless His Majesty's Government cannot lose sight of this matter, and are confident that the United States Government will be prepared to exert all possible efforts to secure a lasting and satisfactory settlement between President Barclay and the Kru leaders, a course in which they will be able to count on the full co-operation of His Majesty's Government. With this end in view, Sir John Simon considers that pressure should jointly be brought to bear both on the Liberian Government and the Kru leaders, in particular Chief Nimley. Indeed it has already been suggested to His Majesty's representative at Monrovia that he should explore the possibility of reaching some solution along these lines in collaboration with his United States colleague, and it seems to Sir John Simon that it should be possible for the representatives of the two Governments to bring the protagonists together and to arrange for negotiations between them. This is not to imply that either the Government of the United States or His Majesty's Government could accept any responsibility for the fulfillment of any agreement that might be reached; but His Majesty's Government are convinced that the fact that negotiations had been rendered possible through the good offices of the two Legations and carried out, so to speak, under their aegis, might serve both to allay the fears which Chief Nimley now entertains, and to moderate the conditions which the Liberian Government might otherwise be inclined to demand as the price of agreement. In this connexion, it will be recalled that the confiscation of arms from the Krus, which was carried out under the control of the League Commissioner in the summer of 1932 as an essential part of a truce on the Kru coast, has been shown by experience to have militated entirely against the interests of the tribesmen; it is even understood, for example, that the

disarmed natives have had great difficulty in protecting not only their property, and livestock, but also their persons, against the attacks of wild animals. Any agreement which might be reached must thus necessarily entail a return to the tribes of at least a reasonable proportion of their arms.

With regard to the question of according recognition to the Liberian Government, Sir John Simon entirely agrees with your view that no such action can be contemplated unless, or until, it is seen that President Barclay's acts correspond with his stated intentions; that his plan is put into effective operation; and that a definite settlement is reached upon the Kru problem.

I have [etc.] R. C. LINDSAY

882.01 Foreign Control/938

Memorandum by the Chief of the Division of Western European Affairs (Moffat)

[WASHINGTON,] January 25, 1935.

Mr. Wiggin, First Secretary of the British Embassy, telephoned to ask if I had any word with reference to the British note of January 17 on Liberia, as his pouch was leaving for London today. I called him later and told him that in general we were in agreement therewith, but did want to call attention to a certain difference of approach in the last paragraph of their note and the corresponding paragraph in our note. They had built up their case on the ground that they would not recognize Liberia until certain conditions had been met; we had emphasized our desire to consider the recognition of the Barclay régime as soon as it appeared that a faithful endeavor was being made to carry out the provisions of the Barclay Plan.[9] The approach was thus somewhat different.

As far as the Kru situation was concerned, the British Government made it quite clear that they regarded this as their main preoccupation in Liberia. We did not view the problem in quite that light, as we held this matter to be only one element of the big problem, and our primary preoccupation was the welfare and rehabilitation of the country as a whole with reference to education, sanitation, economic development, et cetera, as well as the problems of hinterland administration under which the Kru dispute falls. None the less we did recognize that the settlement of the Kru problem was of considerable importance and we were prepared to cooperate with the British in so far as we could to that end. I had previously told Mr. Wiggin that Mr. Yapp and Mr. Hibbard (British and American Chargés at

[9] See memorandum from President Barclay to Mr. McBride, August 28, 1934, *Foreign Relations*, 1934, vol. II, p. 815.

Monrovia) had apparently been working out some scheme of approach to which the Liberian Government did not object which involved recommending to Nimley, chief of one of the Kru tribes, that he submit to the Liberian authorities. We did not feel that this was practicable unless the British had obtained or could first obtain clemency for Nimley as we did not feel we could assume the responsibility of making any such recommendation to Nimley unless we knew he would not undergo danger after submission. As a matter of fact, I understood that the British were already discussing this phase of the matter with the Liberians.

I told Mr. Wiggin that, subject to the above, we were today telegraphing Mr. Hibbard authorizing him to cooperate with Mr. Yapp in an endeavor to clear away this problem. At the same time, I pointed out that whereas the British Government showed its interest in the nature and manner of the settlement, we were less interested in the details thereof than in the fact that a settlement might be concluded.

Mr. Wiggin said he understood our position and would be glad to send off a memorandum to London to that effect.

PIERREPONT MOFFAT

882.01 Foreign Control/938 : Telegram

The Secretary of State to the Chargé in Liberia (Hibbard)

WASHINGTON, January 25, 1935—6 p.m.

1. We have just received a note from the British Ambassador, dated January 17, (text of which is being mailed to you), agreeing with us that President Barclay "is entitled to proceed with his own reform plan and to engage the services of foreign advisers of his own choosing for the purpose of giving effect to it". The British Government will accordingly join with us in encouraging Barclay to carry out his proposals. The note continues that the British Government's "main preoccupation in Liberia relates to the position of the Kru tribes" and suggests that the two Governments "exert all possible efforts to secure a lasting and satisfactory settlement between President Barclay and the Kru leaders" and to this end suggests that you and Yapp "bring the protagonists together and arrange for negotiations between them. This is not to imply that either the Government of the United States or His Majesty's Government could accept any responsibility for the fulfillment of any agreement that might be reached". The sending of identic notes to the Krus is not mentioned.

We have considered your No. 2 January 16, 4 p.m. in the light of the foregoing. Unlike the British our main preoccupation in Liberia does not relate to the position of the Kru tribes alone but to the welfare and rehabilitation of the country as a whole along the broad lines

of Barclay's plan, embracing not only hinterland administration (of which the Kru difficulty is a part) but also education, sanitation, economic development, finances, transportation, et cetera. We recognize that the Kru situation is one factor to be considered in this rehabilitation and hope that it may satisfactorily be disposed of. To that end, we authorize you, provided the British obtain clemency for Nimley from the Liberian authorities, to cooperate with your British colleague in recommending to him that he submit. In this cooperation, however, you should bear in mind that we are less interested in the controversial phases of the dispute than in the fact that it is being settled, and we do not wish you to be maneuvered into a leading position, or to become involved in the terms of the settlement. In any approach you may make to the Liberian Government regarding the Kru dispute, you should be governed by our attitude of complete willingness to help the Liberians solve any of the difficulties encountered in putting Barclay's plan into effect.

HULL

882.01 Foreign Control/940 : Telegram

The Chargé in Liberia (Hibbard) to the Secretary of State

MONROVIA, March 7, 1935—noon.
[Received 9:45 p.m.]

4. Firestone had his first conference with the President March 5. It was merely a courtesy call and there was no discussion of current problems. Next conference will be March 11 when supplementary agreement [10] will be taken up.

Strongly organized opposition party held national convention yesterday when ex-President King was unanimously chosen to run against Barclay.

HIBBARD

882.6176F51/411½

Agreement Between the Government of Liberia and the Finance Corporation of America, Signed March 16, 1935

AGREEMENT, dated, for convenience, as of the first day of January, 1935, by and between the Government of the Republic of Liberia, of the first part, (hereinafter referred to as the Government), Finance Corporation of America, a corporation organized and existing under and by virtue of the laws of the State of Delaware, United States of America, of the second part, (hereinafter referred to as the Corpora-

[10] i. e., agreement supplementary to the Loan Agreement of 1926, for text of which see *Foreign Relations*, 1926, vol. II, p. 574.

tion), and The National City Bank of New York, a national banking association organized and existing under the laws of the United States of America, of the third part (hereinafter referred to as the Fiscal Agent);

WHEREAS, the Government and the Corporation entered into a Loan Agreement as of the first day of September, 1926, in which the Fiscal Agent was party of the third part, which Agreement thereafter became effective upon ratification by the Government, and is in effect; and

WHEREAS, the Government represents to the Corporation that it finds itself unable to fulfill certain of the obligations undertaken by it by virtue of the terms and conditions of said Loan Agreement; and

WHEREAS, the Government is desirous of modifying certain of the obligations undertaken by it under and by virtue of the terms of said Loan Agreement; and

WHEREAS, the Government represents to the Corporation that it has decided to undertake a Three-Year Plan for the accomplishment of certain important improvements in sanitation, public instruction, hinterland administration, judicial system, interior road extension and other matters of social and economic welfare; and to that end will retain, in addition to the officers appointed under the Loan Agreement, the services of six competent foreign specialists, of whom the majority, including the Chief Administrative Specialist, are to be American citizens; and

WHEREAS, the Corporation fully sympathizes with these purposes and is desirous of cooperating with the Government for their attainment:

NOW, THEREFORE, this Agreement is executed for the purpose of modifying and supplementing said Loan Agreement in the following respects only To WIT:

SECTION I

Article I of the said Loan Agreement is hereby amended so as to provide for a reduction of the basic interest rate from seven per cent (7%) per annum, to five per cent (5%) per annum. Effective January 1, 1935, and continuing until December 31, 1942, the "External Forty-Year Sinking Fund Seven Per Cent. Gold Bonds" shall bear interest at the rate of five per cent (5%) per annum, payable semi-annually on January 1st and July 1st in each year.

SECTION II

(*a*) It is understood and agreed that while the Government is obligated for the payment of interest at said five per cent (5%) per annum on all outstanding Bonds issued under said Loan Agreement,

the Government shall be relieved from the payment of said interest for any calendar year when the total revenues and receipts of the Government shall be less than $450,000.00, (which amount is required for the operating expenses of the Government, certain public works and salaries and allowances of the three fiscal officials, the military adviser, and the six foreign specialists), and in this event, the said interest shall be waived and condoned.

(*b*) For any calendar year when the total revenues and receipts for the Government shall exceed $450,000.00, all of such excess to and including such an amount as will equal five per cent (5%) interest for one year on all outstanding Bonds issued under the said Loan Agreement of 1926, shall be set apart by the Government and paid over to the Corporation for application against and/or liquidation of the said five per cent (5%) interest for such calendar year. In the event such excess over and above $450,000.00 shall not be sufficient to liquidate fully such five per cent (5%) interest for such calendar year, then the amount constituting the difference between such excess and the five per cent (5%) interest for such calendar year shall be waived and condoned.

(*c*) In the event the total revenues and receipts of the Government for any calendar year shall exceed $450,000.00, plus the amount necessary to liquidate fully such five per cent (5%) interest for such calendar year, and until such time as the amortization requirements of the said Loan Agreement of 1926 are no longer in arrears and are being currently complied with, at least thirty-three and one-third per cent (33⅓%) of such excess shall be applied to amortization of the Bonds issued and outstanding under the terms of the Loan Agreement of 1926, and/or under the terms of this Supplementary Agreement, and at least thirty-three and one-third per cent (33⅓%) of such excess shall be applied towards the liquidation of the principal only of the Government's floating debt existing on December 31, 1934, which floating debt on that date was in an amount of approximately $650,000.00, and in no event to be applied against any floating indebtedness created after December 31, 1934.

(*d*) In the event such floating debt shall have been liquidated in full prior to the time that the amortization requirements of the Loan Agreement of 1926 are no longer in arrears and are being currently complied with, then at least fifty per cent (50%) of the excess of the total revenues and receipts of the Government for each calendar year over and above $450,000.00, plus the amount necessary to liquidate fully such five per cent (5%) interest for such calendar year shall be applied to amortization of the Bonds issued and outstanding under the terms of the Loan Agreement of 1926 and/or under the terms of this Supplementary Agreement.

886401—53——65

(*e*) The Government shall forthwith, after the date at which this Agreement becomes effective, execute and deliver to the Corporation additional bonds provided for under the said Loan Agreement of 1926 in the principal amount of three hundred and thirty-five thousand U. S. dollars ($335,000.00) in liquidation of past due interest coupons as of January 1st, 1935, inclusive, which coupons shall upon delivery of said bonds be surrendered to the Fiscal Agent for cancellation. Bonds issued in payment of overdue interest as herein provided shall be redeemable at par at any interest date upon notice given in the manner provided in Article V of the Loan Agreement, and the said bonds shall be stamped with a notice to that effect, and shall bear interest coupons beginning with coupons to mature as of July 1st, 1935.

SECTION III

Under the provisions of Article IX of the Loan Agreement for the readjustment of the salaries of the fiscal officers, in the event of a substantial change in money values, and, in recognition of the existing financial emergency, to reduce the cost to the Government of the operation of the fiscal service required by the Loan Agreement, the fourth paragraph of Article IX of the Loan Agreement is hereby amended to read as follows:

"1. A Financial Adviser, who shall be designated and appointed as hereinbefore stated, at a salary of $9,000.00 per annum U. S. Currency.

"2. An official who shall be designated Supervisor of Revenues, and shall perform the duties devolving under the Loan Agreement upon the incumbents of the offices of Supervisor of Customs and Supervisor of Internal Revenue, (which are abolished), at a salary of $5,000.00 per annum, U. S. Currency.

"3. A bonded Auditor appointed by Agreement between the President of the Republic of Liberia and the Fiscal Agent, at a salary of $5,000.00 per annum U. S. Currency.

"4. A bonded Assistant Auditor, who shall be appointed by the President of the Republic of Liberia.

"The salaries of the officers named in sub-paragraphs 1, 2, and 3 hereof shall be paid monthly in pounds sterling at the selling rate of exchange for United States dollars prevailing at the respective monthly due dates of payment."

SECTION IV

The first sentence of Article VIII is hereby amended to read as follows:

"As an additional guarantee of the prompt payment of the Loan and to insure the efficient organization and functioning of the Liberian Fiscal Service and the administration thereof, the Government covenants and agrees to appoint to its service said Financial Adviser, who shall be designated by the President of the United States of America to the President of the Republic of Liberia and, subject to his approval, appointed to said office."

SECTION V

Article IX is hereby amended by the addition of the following paragraph:

"The number of the employees of the Financial Adviser, the Fiscal Officers and the Fiscal Service shall be sufficient for the efficient collection, audit, disbursement and administration of the revenues of the Government. The personnel shall be appointed by the President of Liberia upon the nomination by the Financial Adviser of persons qualified to fill vacancies. The Financial Adviser shall select his nominees from the Civil Service lists of qualified persons, if such be available; otherwise his nominations may be made at large, upon such tests of fitness as he may deem advisable. Such personnel shall serve under the jurisdiction of the Financial Adviser, who shall bear in mind the desire of the Government for the proper training of Liberian citizens for positions of trust and responsibility. The duties of such personnel, insofar as they may not have been prescribed by law, shall be prescribed by such regulations in pursuance thereof as may be issued from time to time by the Financial Adviser. The property and supplies for the use of such officers and employees shall be under the jurisdiction of the Financial Adviser. The number of employees of the Financial Adviser, the Fiscal Officers, and the Fiscal Service shall not exceed the average number of employees during the year 1930 or the average number of employees for the three-year period next preceding, whichever be greater, except by agreement between the President of Liberia and the Financial Adviser."

SECTION VI

In Article IX, after the sentence:

"The officers above mentioned shall perform such duties and employ such persons as may be defined by law or prescribed by the Government with or upon the advice of the Financial Adviser, as provided in Article XII",

the subsequent sentence is hereby amended to read as follows:

"Such officers in the performance of their duties shall be responsible to the Financial Adviser; provided, nevertheless, that the Auditor and Assistant Auditor shall not be subject to control in making decisions upon matters within their jurisdiction."

SECTION VII

Article XII, paragraph numbered 3, is hereby amended to read as follows:

"For the further security of the revenues and receipts, the Government shall maintain a Liberian Frontier Force, and shall further maintain patrol service by sea as may be necessary from time to time. The patrol service by sea shall be administered by the Customs Service. The Frontier Force shall be administered by the War Department. The strength of the Frontier Force shall be fixed by agree-

ment between the President of Liberia and the Financial Adviser, and it shall not be increased or decreased in number without the agreement of the Financial Adviser, except temporarily in case of emergency declared to be such by the Government. A duly qualified and experienced officer of American nationality shall be employed for the Government by the President of Liberia who shall report directly to the President of Liberia and who shall be senior in rank to the commanding officer of said Frontier Force. The salary of said officer shall not exceed the sum of (U. S.) $5,000.00 per annum; provided, however, that said sum may be at any time increased or diminished by agreement between the Government and the Fiscal Agent. Such salary shall include all allowances except medical care and attendance, travel on duty and quarters suitable for his rank, or commutation therefor on the basis provided for officers in the United States Army drawing pay at the same rate, which shall be furnished by the Government. Among his duties shall be the preparation and execution of a plan of organization of the Force which shall be based on the idea of creating an efficient constabulary organization for the purposes aforesaid, and which plan shall include the qualifications and disciplining of all commissioned and non-commissioned officers and the training of the men in accordance with the best practice now obtaining in similar organizations."

SECTION VIII

Article XII, paragraph numbered 6, item designated (*c*) is hereby amended to read:

"(*c*) Incorrectness or irregularity of the account to be paid."

SECTION IX

Article XII, paragraph numbered 6, is hereby amended by the addition after the item designated (*d*) of the following:

"(*e*) Fraud.

"The decisions of the Auditor in relation to the approval or disapproval of accounts shall be final and conclusive, subject only to an appeal by the Government or the creditor to the Financial Adviser, which appeal shall be taken within ten days after notice of the ruling. The decisions of the Financial Adviser upon such appeals shall be final and conclusive upon the Executive but not upon the Judicial branch of the Government."

SECTION X

Article XII, paragraph numbered 8, third sentence, is hereby amended to read:

"The Financial Adviser may only refuse to approve the Budget when and if the disbursements which should be included therein, as provided in this Agreement, or by obligation of law, have not been properly included, or when and if the Budget submitted by the Secretary of the Treasury exceeds the estimates of the revenues as prepared by the Supervisor of Revenues, in conjunction with the Comp-

troller of the Treasury, under the supervision of the Financial Adviser."

SECTION XI

Article XII, paragraph numbered 8, is hereby amended by the addition thereto, immediately before the last sentence thereof, of the following sentence:

"No special appropriation shall be passed by the Legislature except in accordance with a supplement to the annual budget prepared and approved as herein provided with respect to such annual budget."

SECTION XII

During the term of this Supplementary Agreement, as provided by Section XVII hereof, the first sentence of Article XIII and paragraphs one to six, inclusive, thereof are hereby amended to read as follows:

"The first $450,000 of the annual revenues and receipts of the Government shall be applied by the Government in the following order:

1. To the payment of the salaries, allowances and expenses of the Financial Adviser, the Auditor, the Supervisor of Revenues, the Military Adviser and the six foreign specialists; and the salaries of their staffs.
2. To all other operating expenses of the Government.

All revenues and receipts of the Government in excess of $450,000 annually shall be applied as provided in Section II hereof."

SECTION XIII

Article XVIII, paragraph designated (*b*), is hereby amended to read:

"No unexpended credit to any account provided for in the budget may be transferred to any other account of the budget or to any new account except in accordance with a supplement to the annual budget prepared and approved as herein provided with respect to such annual budget. Any credit to any account remaining unexpended at the end of any fiscal year shall be released and taken into account in the preparation of the budget for the next ensuing year."

SECTION XIV

It is understood and agreed that in any fiscal year, after the payment each month of the cost and expenses of the collection, application, audit and administration of the revenues and receipts, as provided in Section XII hereof, any balance of unassigned revenues may be applied to the ordinary expenditures of the Government.

SECTION XV

In any calendar year when the total revenues and receipts of the Government shall be less than $300,000.00 for the first six months

thereof, the interest on all the outstanding Bonds issued under the Loan Agreement of 1926, which is payable on July first of such year, need not be paid on that date, and in lieu thereof, the total interest on such Bonds for such year shall be due and payable on January first of the next succeeding year.

SECTION XVI

The word "dollar" or "dollars", wherever used herein, unless otherwise specifically indicated, shall mean Liberian dollars on the basis that Four and Eighty One-Hundredths ($4.80) Liberian dollars is equivalent to One Pound (£1:0:0) English Sterling.

SECTION XVII

This Supplementary Agreement shall be and remain in force until the thirty-first day of December, 1937, upon the expiration of which period the provisions of the Loan Agreement of 1926 shall, *ipso facto*, again become operative as originally adopted, except as regards the amendments thereto made by Sections IV to XI, inclusive, and Section XIII, hereof, which shall continue in effect; provided, however, that Section I hereof shall continue in effect until the 31st day of December, 1942.

SECTION XVIII

The National City Bank of New York has executed this Supplemental Agreement as Fiscal Agent at the request of the other parties hereto, upon the express understanding and agreement that no new duties or responsibilities are incurred by it hereunder and that it shall continue entitled to all the exemptions, assurances and indemnities provided for in the Loan Agreement of 1926; and upon the further understanding that said Supplementary Agreement shall be and become effective only as and when all the Bonds outstanding under the Loan Agreement shall have been stamped by the Fiscal Agent with an appropriate legend reciting the execution and delivery of this supplemental and amendatory agreement.

SECTION XIX

This Supplementary Agreement shall come into force and effect when duly approved by the Legislature of the Republic of Liberia after execution on behalf of the Government by the officer or officers thereunto duly authorized; provided, that the Legislature of Liberia shall have previously repealed all Legislative Acts and Executive Orders in contravention of the Loan Agreement of 1926, including the following measures heretofore enacted by it, namely:

1. The Act passed over the veto of the President constituting Chapter Seven of the Public Acts of the Thirty Sixth Legislature at the fourth session thereof entitled "An Act to Relieve the Strain Upon the Revenue of this Republic";

2. The Joint Resolution approved December 23, 1932, entitled "Joint Resolution Authorizing the President of Liberia to Suspend Payment of Interest and Amortization on the 7% Gold Loan of 1926, and for other purposes";

3. The Act approved January 6, 1933, entitled "An Act Providing for the Funding of the National Floating Debt";

4. The Act approved January 31, 1933, entitled "An Act Relating to the Officials of the Loan Agreement; and

5. The Joint Resolution approved January 12, 1934, entitled "A Joint Resolution Amendatory to a Joint Resolution Authorizing the President of Liberia to Suspend Payment of Interest and Amortization on the 7% Gold Loan of 1926, and for other purposes, being Chapter II of the Acts of the Legislature of Liberia, approved December 23, A. D. 1932."

Attest:
A. J. SAWYER

THE GOVERNMENT OF THE REPUBLIC OF LIBERIA,
By GABRIEL L. DENNIS
Secretary of the Treasury

Attest:
F. C. FISHER

FINANCE CORPORATION OF AMERICA,
By HARVEY S. FIRESTONE, JR.
Attorney-in-Fact

Attest:
K. J. ADORKOR

NATIONAL CITY BANK OF NEW YORK,
By JOHN LOOMIS
Attorney-in-Fact

This Agreement made and entered into this 16th day of March, A.D. 1935, by and between Gabriel L. Dennis, Secretary of the Treasury, acting for and on behalf of the Government of the Republic of Liberia, of the first part, and Firestone Plantations Company, a corporation organized and existing under and by virtue of the laws of the State of Delaware, United States of America, engaged in business in the Republic of Liberia, of the second part, hereinafter known and referred to as the Company,

WITNESSETH:

First. The Company undertakes and agrees that it will forthwith proceed to cause the organization under the laws of a state of the United States of America of a corporation, to be called Bank of Monrovia, authorized by its charter or articles of incorporation to engage in the business of banking in the Republic of Liberia and other foreign countries.

Second. That the Company will cause the said Bank of Monrovia to apply for authorization to engage in the business of banking under the laws of the Republic of Liberia and to establish its principal place of business in the said Republic in the City of Monrovia.

Third. Upon the establishment in Monrovia of the said Bank of Monrovia the Government, at any time subsequent to the 30th day of

June, 1935, with the consent of the National City Bank, of New York, first had, will on the request of the Company designate said Bank of Monrovia its depositary for the purposes of the applicable provisions of the Loan Agreement of 1926 between the Government and Finance Corporation of America, and to that end will enter into an Agreement with the said Bank in accordance with the terms of the *pro forma* Agreement hereunto attached, marked Annex A and made a part hereof.

Fourth. As security for the performance of its obligations to the Government, the Company will cause the Bank of Monrovia, simultaneously with the execution of the Depositary Agreement, to place in escrow in a bank in New York or London, bearer bonds of the Liberian Government, issued pursuant to the Loan Agreement of 1926, of the par value of Three Hundred Thousand dollars ($300,000.00) pursuant to an escrow agreement in terms as set forth in the form hereunto appended, marked Annex B, and made a part hereof.

IN WITNESS WHEREOF, the parties hereunto have caused this agreement to be written and executed in Monrovia, Liberia, the day and year first above set forth.

Witnesses:
A. J. SAWYER

THE GOVERNMENT OF THE REPUBLIC OF LIBERIA
By GABRIEL L. DENNIS
Secretary of the Treasury

F. C. FISHER

FIRESTONE PLANTATIONS COMPANY
By HARVEY S. FIRESTONE, JR.
President

Approved and Accepted:
EDWIN BARCLAY
President of Liberia

Annex A

Depositary Agreement Between the Government of the Republic of Liberia and the Bank of Monrovia

WHEREAS, Article XVIII of the Loan Agreement dated September A. D. 1926, by and between the Government of Liberia and the Finance Corporation of America, provides that the Government shall designate a Depositary agreeable to the Fiscal Agent created in virtue of the terms of said Agreement, and

WHEREAS, Bank of Monrovia, a banking institution organized under the laws of , with registered office at , is agreeable to the Fiscal Agent, The National City Bank of New York, as such Depositary,

THEREFORE, it is agreed between Gabriel L. Dennis, Secretary of the Treasury, acting for and on behalf of the Government of Liberia,

hereinafter known and referred to as the Government, of the First Part, and Bank of Monrovia, hereinafter known and referred to as the Depositary, of the Second Part, THAT

Section I. The Government hereby designates and appoints the said Bank of Monrovia as its legal Depositary, and the said Bank, in consideration of the compensation to be paid to it by the Government as hereinafter expressed, has accepted such appointment on the terms and conditions of this Agreement.

Section II. The Government agrees with Bank of Monrovia to deposit with it as Depositary all receipts and revenues collected by and on behalf of the Republic of Liberia, indicating with each deposit the specific deposit account to which the Depositary should pass corresponding credit. The Government's receipts for postal money orders and radio tolls, which will also be deposited, shall be kept in special accounts in trust as hereinafter provided.

Section III. Liberian silver and copper coin shall be received by the Depositary from the Government for deposit at the fixed rate of Four dollars and eighty cents ($4.80) to the pound sterling; and the Government shall at the request of the Depositary accept and receive from the Depositary in payment of its cheques drawn on the Disbursement Accounts the whole or any part of such Liberian currency that it may have deposited in the Depositary, and at the same fixed rate.

Section IV. The Depositary agrees to accept in Liberia all deposits made by the Government as outlined in paragraph 2 of this contract and to credit them to one or more deposit accounts as the Government may desire. For this purpose, the Government agrees to furnish the Depositary with an inclusive list of the deposit accounts which are desired to be maintained.

Section V. The Government agrees with the Depositary that moneys received by the Depositary and credited to deposit accounts as indicated under Section II of this Contract, will be disposed of only by transfer to one or more disbursement accounts to be maintained by the Depositary. Such transfers will only be made by the Depositary upon receipt of numbered transfer orders requested by the Secretary of the Treasury, approved by the Auditor, and countersigned by the Financial Adviser. The Government further agrees with the Depositary that such transfers shall be at all times in full conformity with the terms of the Loan Agreement. It is further agreed that no responsibility shall attach to the Depositary for effecting any transfer in violation of the terms of the Loan Agreement provided the corresponding numbered transfer order has been duly approved as herein outlined.

Section VI. To facilitate the operations outlined in the preceding Section, the Government will provide the Depositary with facsimile

signatures of the Secretary of the Treasury, the Auditor, and the Financial Adviser, and of those authorized to sign for them in their absence, as well as an inclusive list of disbursement accounts which are desired to be maintained by the Depositary.

Section VII. Moneys transferred from deposit to disbursement accounts as outlined under Section V hereof, shall then be available for disbursement as provided in the Loan Agreement (Article XVIII, Section *d* and Article XII, Section 6). It is agreed that such disbursements shall only be made by the Depositary against cheques drawn to the order of specific payees by the Secretary of the Treasury and countersigned by the Auditor, such cheques to bear in every case the name of the disbursement account against which they are to be charged and an exact reference to the Transfer Order under the authority of which they have been issued. In the event that the Depositary is in doubt as to the identity of the Payee or of the validity of any endorsement it may refer the cheque to the Secretary of the Treasury or to any official of the Government thereto designated in writing by the Secretary, for written authority to pay the cheque to the person asserting title thereto as payee or endorsee; and no responsibility shall attach to the Depositary for incorrect payments made upon such identification.

Section VIII. The Government agrees with the Depositary that moneys arising from postal orders and radio tolls, which are deposited in a special trust account as outlined in Section II of this contract, shall be drawn upon warrant of the President by cheques of the Postmaster-General, and the Depositary agrees to pay such cheques as presented against these funds, provided sufficient funds are on hand in the trust account to cover them.

Section IX. The Depositary agrees to name an Agent at each of the following Ports of Entry: Robertsport, Buchanan, River Cess, Greenville and Harper, for the protection of the Government revenues and receipts and for the requirements of its Fiscal Administration. Upon mutual agreement between the Government and the Depositary, further agents may be named or any of those agreed upon may be withdrawn, as conditions may justify. No responsibility will attach to the Government for the payment of any compensation to any Agent in virtue of the provisions of this Agreement.

Section X. The Depositary will arrange with its designated Agents that the Government may draw cheques against the Depositary as provided under Section VII of this contract, indicating on the cheques that they are payable at a designated agency. It is agreed, however, that there will be no obligation on the part of the Agent to pay such cheques prior to receipt of advice from the Depositary, which advice the Depositary agrees to forward as soon as received from

the Government without, however, accepting any responsibility for delays in the mail or from other causes beyond its control.

Section XI. The Government agrees to pay, and the Depositary agrees to accept, the following fees for services rendered the Government by it:

a) a commission of one per centum on Government revenues and receipts deposited with the Depositary;
b) for cable transfers to Europe and America, three quarters of one per centum;
c) for drafts sold on Europe and America, one half of one per centum.

The cost of cable tolls for telegraphic transfers and of revenue stamps thereon and on drafts shall be paid by the Government. The Depositary agrees that it will not charge any commission for deposits of money brought from the United States of America on account of the Loan Agreement hereinbefore mentioned. And no charge whatsoever shall be made by the Depositary for keeping Government accounts required and necessary for the proper control of Government moneys under this Depositary Agreement.

Section XII. The Secretary of the Treasury, the Financial Adviser, and the Auditor, or the designated representative of each of them, shall each have the right at all times during banking hours to examine such books and accounts of the Depositary as relate to Government accounts and verify balances held by the Depositary to the credit of the Government. The Depositary further agrees to render quarterly statements to the Secretary of the Treasury, the Financial Adviser and the Fiscal Agent.

Section XIII. As security for the trust created by the terms of this Agreement the Depositary covenants to warrant to the Government the faithful and honest discharge of the duties herein imposed by placing in escrow in the hands of a banking institution in New York or London bonds of the Liberian Government issued pursuant to the Loan Agreement of 1926 of the par value of Three Hundred Thousand Dollars ($300,000); provided, however, that in the event that the revenues of the Government shall exceed the sum of One Million Two Hundred Thousand Dollars ($1,200,000) in any one year during the life of this Agreement, the amount of the bonds in escrow shall be increased in an amount equal to twenty-five per centum of such excess.

Section XIV. Should the Depositary refuse to cash any cheque duly signed by the officials of the Government designated by law and regulation and payable pursuant to the terms of this Agreement, or should it refuse to perform any of the duties herein imposed or neglect to keep and perform any of the covenants herein contained, then in

such case the Government shall be authorized to cancel this Agreement in accordance with Section XVI, anything to the contrary herein expressed notwithstanding.

Section XV. During the life of this Agreement, all currencies imported or exported or shipped between ports in Liberia by the Depositary, or without the Republic shall be open to examination upon the premises of the Depositary by the Customs Officials in accordance with existing regulations.

Section XVI. It is agreed that this contract shall be effective for a period of five years from the date hereof, subject to cancellation upon three months' notice by either party.

IN WITNESS WHEREOF, we have affixed our hands and seals at the City of Monrovia, in the County of Montserrado and Republic of Liberia, as of the day of A. D. 1935.

Witnesses: THE GOVERNMENT OF THE REPUBLIC OF LIBERIA

_____ By_____

Secretary of the Treasury

BANK OF MONROVIA

_____ By_____

Approved and Accepted:

President of Liberia

Annex B

Escrow Agreement

This agreement, dated as for convenience June 30, 1935, by and between

The Government of the Republic of Liberia, of the first part (hereinafter called the Government);

Bank of Monrovia, a corporation organized under the laws of the State of, United States of America, of the second part (hereinafter called the Depositary); and

., a banking corporation (or a trust company) organized under the laws of, of the third part, (hereinafter called the Bank)

WITNESSETH:

1. By an instrument dated as of, 1935, (a copy of which, marked Annex A, is hereunto appended and made a part hereof) the Government, with the approval of National City Bank, an American Banking Corporation, has designated Bank of Monrovia as its depositary upon the terms and conditions therein set forth.

2. In compliance with and for the purposes of the requirements of Article . . of the said Agreement (Annex A) the Depositary has placed in the hands of the, in escrow, bonds, with interest coupons attached, of the Government of Liberia issued pursuant to the Loan Agreement of 1926, or the par value of Three Hundred Thousand ($300,000.00) dollars, the numbers of which and other identifying particulars are specified in the schedule hereunto appended, marked Annex B, and made a part hereof.

3. If the Depositary shall fully account to the Government for all funds placed in its keeping as depositary and shall make all payments due from it as such, then three months after the termination of the said Depositary Agreement by expiration of the agreed term or previous cancellation in accordance with its provisions the Bank shall release and surrender unto the Depositary the bonds described in said Annex B; but if prior to the expiration of such term of three months the Government shall notify the Bank that it has a claim upon the said bonds by reason of any breach of the said Depositary Agreement asserted by it to have been committed by the Depositary, then the Bank shall retain in its possession the said bonds until such claim has been adjusted or abandoned as hereinafter provided.

4. Within . . days from the date of the notification of such claim, if the same is contested by the Depositary, the Government shall commence proceedings for the arbitration of its demand in the manner provided in the Loan Agreement of 1926 for the arbitration of disputes between the parties thereto, which said arbitration provisions are hereby adopted by the parties to this agreement as fully as though incorporated herein. Should the Government fail to institute arbitration proceedings within the time hereinabove specified its claim or claims against the Depositary shall be deemed to have been abandoned, extinguished and waived, and the Bank may surrender the said bonds to the Depositary as though no such claim or claims had ever been formulated. If such claim or claims are submitted to arbitration within the time limited hereby, the Bank shall retain the bonds in its possession until the final award has been made or the demand for arbitration withdrawn. If a final award is made in favor of the Government upon one or more of its demands against the Depositary the Bank shall deliver to the Government forthwith bonds of a par value equal to the amount of the award. The remaining bonds, if any, shall thereupon be surrendered by the Bank to the Depositary.

5. All interest coupons of the said bonds which mature while the same are being held in escrow by the Bank and before notification by the Government of a claim or claims hereunder, shall be detached and delivered by the Bank to the Depositary.

IN WITNESS WHEREOF the parties hereto have caused this agreement to be executed as of the date first above written.

THE GOVERNMENT OF THE REPUBLIC OF LIBERIA,
By _____
Secretary of the Treasury

BANK OF MONROVIA,
By _____

By _____

Approved and Accepted:

President of the Republic of Liberia

882.6176F51/411½

Agreement Between the Government of Liberia and Firestone Plantations Company, Signed March 20, 1935

This Agreement made and entered into at the City of Monrovia in the Republic of Liberia this twentieth day of March in the year of Our Lord Nineteen Hundred and Thirty-Five by and between the Government of the Republic of Liberia (hereafter styled the Government), represented by Dixon Brown, Postmaster General, and Firestone Plantations Company, a corporation organized and existing under and by virtue of the laws of the State of Delaware, United States of America, hereinafter styled the Lessee,

WITNESSETH:

First: Article II of the Memorandum of Agreement between the parties hereto, generally known as the Planting Agreement, dated October 2, 1926, and ratified by the Legislature of Liberia by its Act approved November 18, 1926, is hereby amended by striking therefrom the opening sentence and paragraphs (*a*), (*b*), (*e*) and (*g*) and substituting in lieu thereof the following:

"ARTICLE II

"The Government, in consideration (1) of the establishment of Lessee's enterprise in the Republic of Liberia, (2) the payment of the revenue tax for which provision is made in paragraph (*d*) of Article III hereof, (3) the prepayment by Lessee of the sum of Four Hundred Thousand ($400,000) dollars in bonds, at par, of the Liberian Government issued under the Loan Agreement of 1926, or any amendment thereof, as rent in full upon the one hundred and ten thousand (110,000) acres, approximately, of land now held by it under the Planting Agreement and the lease dated March 1, 1935, for the 90-year period beginning October 2, 1935, and ending October 2, 2025, and (4) the

further payment of the sum of Two Hundred and Fifty Thousand ($250,000) dollars in such bonds, at par, agrees that during the life of this Agreement Lessee shall have and enjoy the following additional rights and exemptions:

"(*a*) The Lessee shall be entitled to make such importations as it shall deem necessary for the operation and development of its plantations and to export without restriction the products thereof and freely to transport such exports and imports by land or water within the Republic; and the Lessee, except with respect to documentary stamp taxes of general application not exceeding existing rates as applied to exports and imports, shall be wholly free and exempt from any and all taxes, duties, dues, imposts, excises, license fees, inspection fees, wharfage dues, harbour dues, highway tolls, and all other charges of whatsoever sort, description, or designation now or hereafter authorized, levied, or imposed by the Republic of Liberia or by any entity now or hereafter acting or existing by its authority in the exercise of the inherent or delegated power (1) to tax persons, tangible or intangible property, transactions, or occupations; (2) to lay duties upon exports and imports or either; or (3) to subject the exercise of any lawful activity to the payment of license fees, inspection fees, wharfage or harbour dues, highway tolls or any other imposition whatsoever, whether of the general character of those herein expressly mentioned or otherwise; provided, nevertheless, that the exemptions from import and export duties hereby granted shall be and are restricted to the importation of things and substances for use, directly or indirectly, by the Lessee upon its leased lands in the operation and development thereof and not for sale or barter and to the exportation of the products of Lessee's leased lands; and provided further that motor vehicles in excess of one hundred and fifty owned and operated at any one time by Lessee shall be subject to the same license fees and taxes as are similar vehicles owned and/or operated by others.

"(*b*) The Lessee's foreign employees, under contract or otherwise, shall be permitted to reside and work in the Republic, and to enter and depart therefrom, and they shall not be subject to the payment of any direct or personal taxes of whatsoever character; provided, nevertheless, that nothing herein contained shall be construed as creating an exemption in favor of such employees with respect to general property taxes or customs duties.

"(*e*) The Lessee shall have the right to construct, maintain and operate lines of communication for the purpose of more efficiently operating its plantations and enterprises, such as telegraph lines, telephone lines and radio communication stations upon the lands selected and held under this Agreement and beyond the confines thereof, subject to the provisions of paragraph (*h*), Article IV of this Agreement; and to the extent necessary for such purposes may use, without the payment of rent for such land, any Government lands not already devoted to some other use. The Lessee shall also be and is hereby granted the right, directly or through any corporate subsidiaries or affiliates, as licensees or assignees, to construct, maintain and operate for its own use and that of its subsidiary or affiliate corporations and for public service a domestic and foreign radio communication system; and to determine the rates to be charged the public for such service; provided, however, that the Government shall be entitled

to transmit messages or official business over any radio system established hereunder at rates not exceeding one half of the rates charged the general public; and provided, further, that the rates charged the public for domestic service shall be fixed by agreement with the Government and the rates for foreign service shall not be higher than those charged by any competing radio service. All tax exemptions granted the Lessee under the provisions of paragraph (*a*) of Article II of this Agreement or any amendment thereof shall be enjoyed by any subsidiary or affiliate corporation operating a radio service under license or assignment by Lessee of the rights granted by this paragraph. The frequencies granted the Lessee by its contract with the Government of the Republic of Liberia dated January 22, 1929, and now in use under assignment by its subsidiary United States-Liberia Radio Corporation, and the frequencies enumerated in the letter of the Firestone Plantations Company to the Postmaster General of the Republic of Liberia, dated February 9, 1934, shall be available to the Lessee and/or its subsidiaries, affiliates, licensees or assignees during the life of this Agreement. The Government in case of war or other public emergency, so declared by the President of Liberia, shall have the right to use the lines of communication to which this paragraph relates.

"(*g*) The Lessee shall have the exclusive right to engage in any operations upon the lands held under this Agreement in addition to the agricultural activities herein authorized, including the exclusive right to take by mining or any similar operations the mineral contents of the subsoil of the leased lands; provided, nevertheless, that any precious metals or precious stones so obtained by Lessee shall be subject to a royalty payment to the Government of not to exceed ten per centum (10%) of the value thereof."

Second: Article III of the said Memorandum of Agreement of October 2, 1926, is hereby amended by striking paragraph (*d*) therefrom and substituting in lieu thereof the following:

"(*d*) Lessee shall pay to the Government annually a revenue tax equivalent to one per centum of the value of all rubber and other commercial products of its plantations shipped from Liberia calculated on the price of such products prevailing in the New York market at the time of the arrival of each shipment of such products at its port of destination."

Third: Article IV of the said Memorandum of Agreement of October 2, 1926, is hereby amended by striking out the first eight words of paragraph (*g*) and the whole of paragraph (1) thereof and the substitution in place of said paragraph (1) of a new paragraph (1) in words as follows:

"(1) The Lessee shall be entitled to establish, maintain and operate an aerial transportation system and necessary landing facilities therefor upon the lands selected and held under this Agreement and beyond the confines thereof; provided, however, that in the event that Lessee shall make use of Government land for the establishment of landing fields rent shall be paid therefor in accordance with para-

graph (*c*) of Article III hereof. In the event that such lines of aerial transportation shall be used by Lessee for general commercial purposes to serve others for hire, then while so used they shall be subject to taxation under the general laws of Liberia."]

Fourth: All bonds deliverable to the Liberian Government under this Agreement shall be surrendered to its Fiscal Agent, the National City Bank of New York within ninety days from the date of the approval of this Agreement by the Legislature of Liberia, and shall thereupon be cancelled by the Fiscal Agent and retired; and no other bonds shall be issued in lieu thereof during the existence of the Loan Agreement of 1926.

Fifth: This Agreement shall take effect upon its ratification by Act of the Liberian Legislature.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be signed the day and year first above written.

Witness:
R. S. S. BRIGHT

THE GOVERNMENT OF LIBERIA
By DIXON BROWN
Postmaster General

Witness:
F. C. FISHER

FIRESTONE PLANTATIONS COMPANY
By HARVEY S. FIRESTONE, JR.
President

Approved:
EDWIN BARCLAY
President of Liberia

882.01 Foreign Control/940a

The Secretary of State to the British Ambassador (Lindsay)

WASHINGTON, April 3, 1935.

EXCELLENCY: I have the honor to refer to my note of October 17, 1934,[11] transmitting for your confidential information a copy of Mr. McBride's report on conditions in Liberia. In that note it was stated that as soon after the proposals of President Barclay had been put into operation as it appeared that the Liberian Government and the Liberian people were faithfully endeavoring to carry out its provisions, the United States Government would be prepared to consider favorably the recognition of President Barclay, and the hope was expressed that the British Government would find it agreeable to pursue a similar course of action.

President Barclay's plan for the rehabilitation of Liberia contains, as your Excellency knows, many of the important reforms recommended by the League of Nations experts. It was my opinion that

[11] *Foreign Relations*, 1934, vol. II, p. 825.

the plan, if faithfully carried out, would accomplish in a large measure the improvement in Liberia's economic and social structure which the American Government has been desirous of having the Liberian Government bring about. President Barclay is proceeding with his plan and this Government has been gratified to note the progress thus far achieved.

The difficulties which have arisen as a result of Liberia's financial default [12] are in process of removal. President Barclay has concluded a series of agreements which include a revision of the Loan Agreement. The new agreements are subject to ratification by the Liberian Congress which, we have been informed, will convene in June. We also understand that it has been agreed that the Moratorium and similar acts will be repealed simultaneously.

The effort now being made by the British Government, with the support of the American Government, looking toward the amelioration of the Kru situation appears to have promise of success. The American Chargé has been instructed to collaborate with the British representative in Liberia and, in view of the cooperative spirit manifested by President Barclay in recent negotiations, I am hopeful of an early solution of this problem.

Judging from recent reports, it is my opinion that conditions in Liberia have improved sufficiently within recent months to justify further consideration of the question of recognition. Assuming that the Liberian Congress will act favorably in June, the American Government will favor the recognition of President Barclay's administration at that time.

The joint action which the British and American Governments have taken in the past with respect to Liberia has, I believe, been beneficial, and in continuation of this policy I hope that the British Government may wish simultaneously to consider recognition of the Liberian Government. I shall be glad to receive, therefore, an expression of the British Government's views with respect to this matter.

Accept [etc.] CORDELL HULL

882.01 Foreign Control/950

Memorandum by the Chief of the Division of Western European Affairs (Moffat)

[WASHINGTON,] May 11, 1935.

Mr. Moffat asked Mr. Broadmead [13] to call and referred to the Department's letter of April 3, 1935, inviting the British Government

[12] Legislative acts suspending interest and amortization payments were passed in December 1932; see *Foreign Relations*, 1932, vol. II, pp. 786–792.

[13] Philip M. Broadmead, First Secretary of the British Embassy.

to join the American Government in recognizing the Barclay régime following the repeal by the Liberian Legislature of repudiationist acts and measures.

The Department is now in receipt of a telegram from the Legation in Monrovia [14] indicating that Mr. Barclay has been reelected President by an overwhelming majority and that he is planning to call the Liberian Congress into session on May 20.

It is therefore important for the two Governments to determine their future course of action without further delay.

This Government continues to favor recognition of the Barclay régime under the circumstances outlined. Reports have reached us that conditions have of late considerably improved under the Barclay régime. While to be sure, there has not yet been a final settlement of the Kru question, this Government continues to feel that this problem is only one part of a larger problem; that Barclay's reform plan provides for the reorganization of native administration under a foreign specialist who can take up the Kru question first; that there is no outstanding urgency in the matter as all is quiet in that area. Finally, this Government is convinced that a continuation of nonrecognition can no longer serve a useful purpose; on the contrary, due to the psychology of the Liberians, it believes that further nonrecognition would raise an insurmountable barrier which would prevent us from assisting in the formation and operation of President Barclay's Plan.

Mr. Moffat expressed the hope that the Embassy would send a brief telegraphic report of this Government's reasons for favoring prompt recognition at the same time asking for a telegraphic reply. The American Government still hoped that the British Government would proceed with it in the policy outlined.

PIERREPONT MOFFAT

882.01 Foreign Control/945 : Telegram

The Secretary of State to the Chargé in Liberia (Hibbard)

WASHINGTON, May 14, 1935—7 p.m.

5. Your 11, May 7, noon.[14] The Department approached British Embassy on May 11 along lines suggested in your paragraph 4.

Have you any mental reservations which would cause us to delay recognition? If not, I purpose to request authority from the President to recognize the Barclay régime shortly after you telegraph me that the Liberian Congress has withdrawn its repudiationist legislation.

HULL

[14] Not printed.

882.01 Foreign Control/948 : Telegram

The Chargé in Liberia (Hibbard) to the Secretary of State

MONROVIA, May 17, 1935—3 p.m.
[Received 11 : 37 p.m.]

14. Department's telegram 5, May 14, 7 p. m. I see no reasons whatever to delay recognition after the Liberian Congress repeals the Moratorium Act and ratifies the Firestone agreements. Conditions are not perfect but they are slowly improving and I feel very strongly that recognition will place us in a better position to assist in the formation and operation of Barclay's plan.

HIBBARD

882.01 Foreign Control/949

The British Ambassador (Lindsay) to the Secretary of State

No. 140 WASHINGTON, May 20, 1935.

SIR: As I had the honour to inform you in my note No. 88 of 4th April [15] I communicated to His Majesty's Principal Secretary of State for Foreign Affairs a copy of your note of April 3rd in which you invited His Majesty's Government in the United Kingdom to consider the question of the recognition of the Liberian Government in view of the possibility that the United States Government would wish to take such a step in the near future.

2. Sir John Simon has been informed by His Majesty's Representative at Monrovia that the Liberian Government are firm in their determination to remove Chief Nimley from the Sasstown area for a period of one year and that they also refuse to agree to a "peace palaver", the object of which would be a mutually satisfactory settlement with the Krus. This attitude has caused a painful impression on His Majesty's Government, and Mr. Yapp, who is shortly proceeding on leave from Monrovia, has been instructed to inform the Secretary of State that while he will doubtless discuss the question of Anglo-Liberian relations while on leave in England he can assure him that he knows already that His Majesty's Government consider a settlement of the Kru problem an essential preliminary to the recognition of the Liberian Government.

3. In bringing the above information to your notice I have been instructed by Sir John Simon to inform you that, except in so far as the Kru problem is concerned, His Majesty's Government are in general agreement with the United States Government that the present administration in Liberia are making a serious and sustained

[15] Not printed.

effort to improve the internal conditions of the country. In view, however, of the very strong humanitarian interest which has been displayed in England over the Kru question it would not be possible for His Majesty's Government to defend before public opinion a decision to restore official relations with the Liberian Government in the absence of a satisfactory settlement between the latter and the tribal leaders.

4. Sir John Simon also instructs me to inform you that he cordially reciprocates your desire for continued Anglo-American cooperation in dealing with Liberian questions and that His Majesty's Government have noted with satisfaction the collaboration which has taken place between the United States and British representatives in Monrovia. It is Sir John Simon's hope that this satisfactory state of affairs will continue.

I have [etc.] R. C. LINDSAY

882.01 Foreign Control/950a : Telegram

The Secretary of State to the Chargé in Liberia (Hibbard)

WASHINGTON, June 3, 1935—1 p.m.

8. We gather from your telegrams that the Liberian Congress is now in session; please telegraph us briefly as to the prospects for early repeal of the repudiationist legislation.

For your information. The British Government has informed us that they do not feel justified in recognizing the Barclay régime until the final settlement of the Kru problem. We have decided, however, not to delay our recognition further and the President has approved our recommendations for the recognition of the Barclay régime shortly after the Liberian Legislature has repealed the legislation in question; he is also prepared to designate McCaskey as Financial Adviser.

You should make discreet use of the foregoing only in case there is some hitch in the legislature which has not been foreseen.

HULL

882.01 Foreign Control/951 : Telegram

The Chargé in Liberia (Hibbard) to the Secretary of State

[Extracts]

MONROVIA, June 6, 1935—3 p.m.
[Received 10:25 p.m.]

17. Department's telegram No. 8, June 3, 1 p.m. The Liberian Legislature took final action yesterday in ratifying the Firestone agreements and repealing all repudiationist legislation. Although the session was specially called to consider these matters there has

been some delay due to the necessity for reorganization and because of the usual political maneuvering. However, the discussions have been carried out in a most friendly spirit. Two small changes of no consequence have been made. (1) Firestone employees must register with the Department of the Interior and reserve residence permits but there will be no charge. (2) Landing fields established by Firestone shall be subject to customs inspection if used in international flights.

A concurrent resolution was passed authorizing the President at some future date to discuss with the Finance Corporation the possibility of increasing the budget from $450,000 to $500,000, the increase to be used specifically for road construction.

.

. . . Fisher[16] and I have been in constant touch with the President and other officials who have been very helpful. The attitude toward the United States and Firestone has greatly improved. The British Government has informed the Liberian Government that it does not see its way clear to extend recognition until there has been a satisfactory settlement of the Kru question. I consider, however, that we should not delay and I hope that when the Department is ready I will be sent a message for delivery to Barclay in a formal ceremony as this will please him and the people.

.

HIBBARD

882.01 Foreign Control/952 : Telegram

The Chargé in Liberia (Hibbard) to the Secretary of State

MONROVIA, June 8, 1935—11 a.m.
[Received 11 : 32 a.m.]

18. My telegram No. 17, June 6, 3 p.m. The bills covering Firestone agreements and repeal legislation were signed by the President yesterday afternoon. Copies will be sent by pouch June 18.

HIBBARD

882.01/48b : Telegram

The Secretary of State to the Ambassador in Great Britain (Bingham)

WASHINGTON, June 8, 1935—1 p.m.

133. We are sorry that the British will not join us in recognizing the Administration of President Barclay under present conditions.

[16] F. C. Fisher, legal adviser to Firestone interests.

We continue to believe that the Kru problem is only one part of a larger problem; that Barclay's reform plan provides for the reorganization of native administration under a foreign specialist who can take up the Kru question; and finally that further non-recognition would raise an insurmountable barrier which would prevent us from effectively assisting in the development of President Barclay's plans whenever such assistance might be requested. We are accordingly directing Hibbard to extend formal recognition on Tuesday, June 11th. Please informally bring the foregoing to the attention of the Foreign Office.

HULL

882.01/48a : Telegram

The Secretary of State to the Chargé in Liberia (Hibbard)

WASHINGTON, June 8, 1935—1 p.m.

9. Please call on President Barclay on Tuesday, June 11th, and with appropriate ceremony hand him the following note:

"It is with real pleasure that I communicate to Your Excellency the decision of the American Government to extend as of today formal recognition to your Administration. At the same time the Secretary of State has directed me to express the good wishes of the American Government and people for the welfare of Liberia and to affirm their confidence in its rehabilitation under the plan which Your Excellency has formulated."

You should, of course, as a matter of record, address a similar communication with the necessary changes in syntax to the Secretary of State. You may also deliver to President Barclay an oral message pointing out the gratification of the President and myself at the progress which has already been achieved within the past few months under his leadership, and our desire to be helpful in any proper way.

If, in your knowledge of the local situation, you desire to make any changes in the note or procedure, please telegraph us your suggestion at once, as we desire to release it to the press in Washington Tuesday afternoon.

The following day, you should inform the Liberian Government that the President of the United States having learned of the decision of Mr. Loomis to resign as Financial Adviser, has designated Mr. Charles I. McCaskey for appointment in his place, subject to this nomination being personally agreeable to President Barclay. I shall be glad to forward by telegram to McCaskey any offer of appointment made him by Barclay.

Please further deliver the following message from me to Mr. Loomis:

"It is with real regret that I have learned from your telegram of your intention to retire from your post as Financial Adviser to the Republic of Liberia upon the designation of a successor. The Liberian Government has today been informed of the designation of Mr. Charles I. McCaskey for appointment in your stead. May I, in taking note of your intention, send you an expression of appreciation for the high caliber of service you have rendered, and of good wishes for your future welfare and happiness."

I do not want to close this telegram without adding a word of congratulation to you, Hibbard, on the admirable work you have done since reaching Monrovia. It is a pleasure to send you this well-merited commendation.

HULL

MOROCCO

OBJECTION OF THE UNITED STATES TO PROPOSED MODIFICATION OF THE CUSTOMS REGIME IN THE FRENCH ZONE OF MOROCCO [1]

681.003/115 : Telegram

The Chargé in the United Kingdom (Atherton) to the Secretary of State

LONDON, January 4, 1935—5 p.m.
[Received January 4—3:07 p.m.]

1. Department's instruction 647, December 20, 1934 [2] and Embassy's 633, December 21, 7 p.m.[3]

1. Substance of Department's instruction 669, December 18, 1934 to Paris [4] has been communicated orally to Foreign Office. They state that agreement for proposed exchange of notes with France in regard to quotas in Morocco has been completed and initialed but signature and exchange have not yet taken place pending similar agreements to be effected with the Spanish Government in regard to the Spanish Zone in Morocco. I asked if the British Government had seconded any effort of the French at Madrid and if not whether they would be disposed to do so. I received the reply that nothing yet had been done by the British at Madrid but that they would not object to acting with the French in supporting the proposal.

[2.] In further elaboration of the British point of view it was stated that the British felt that the proposed exchange of notes could not have any bearing on the treaty rights of the United States or on those of any other power in Morocco for the following reasons:

(*a*) They are only waiving for a specific purpose and consideration certain rights under their bilateral treaty of 1856 with the Sultan of Morocco,[5] and

(*b*) They have expressly reserved all other treaty rights they may have, whether under the bilateral treaty or under multilateral treaties affecting Morocco to which they are a party.

[1] For previous correspondence, see section relating to representations for the protection of American treaty rights in the French and Spanish Zones of Morocco, *Foreign Relations*, 1934, vol. II, pp. 836 ff.

[2] Not printed; see telegram No. 435, December 20, 1934, to the Chargé in Great Britain, *ibid.*, p. 880.

[3] *Ibid.*, p. 882.

[4] *Ibid.*, p. 876.

[5] Convention of Commerce and Navigation between Great Britain and Morocco, signed at Tangier, December 9, 1856, *British and Foreign State Papers*, vol. XLVI, p. 188.

Spain is the only country having a bilateral treaty with Morocco[6] similar to the treaty of 1856 between Great Britain and Morocco.

3. The Foreign Office pointed out that the compelling reason from their point of view for the negotiation of the proposed agreement with France was to protect in particular British textile exports to Morocco, which through Japanese under-cutting have been reduced in the last 3 years to one-sixth of their former volume.

4. Astonishment was expressed by the Foreign Office at the allegation reported in the Department's instruction to Paris (page 4) as coming from Ponsot[7] that the Franco-British accord of 1904[8] has expired. The Foreign Office denied this categorically and stated that neither they nor the French have denounced them. They also expressed astonishment at the suggestion reported to have been made by Ponsot that the United States Government should renounce their extraterritorial rights in Morocco. No such suggestion has been made to the British who would oppose it.

5. The Foreign Office would appreciate it if the substance of the point of view of the United States, with summary of Ponsot's views contained in Department's instruction to Paris might be given them informally in writing. Please instruct.

ATHERTON

681.003/130

The Chargé in the Netherlands (Wilson) to the Secretary of State

No. 135 THE HAGUE, January 7, 1935.
[Received January 16.]

SIR: I have the honor to acknowledge the receipt of the Department's instruction No. 90, of December 24, 1934,[9] with which was enclosed a copy of an instruction to the Embassy in Paris outlining our attitude towards the French proposals for the modification of the customs regime in Morocco.

I went today to see the Minister for Foreign Affairs and informed him that we were delivering a note of protest to the French Government, at the same time informing him of certain details contained in that note as to the basis for our contention that the French will, by the establishment of a quota system, disregard the guarantees contained in the various treaties concerning Morocco.

[6] Treaty of Commerce and Navigation between Spain and Morocco, signed at Madrid, November 20, 1861, *British and Foreign State Papers*, vol. LIII, p. 1089.

[7] Henri Ponsot, Resident General of French Protectorate of Morocco.

[8] Declaration between Great Britain and France, respecting Egypt and Morocco, signed at London, April 8, 1904, *British and Foreign State Papers*, vol. XCVII, p. 39.

[9] Not printed; see instruction No. 669, December 18, 1934, to the Ambassador in France, *Foreign Relations*, 1934, vol. II, p. 876.

Jonkheer de Graeff told me that the Netherlands Government expected to protest to the French Government and had been waiting for information as to action taken by other interested Governments. He added that he had been especially anxious to hear what steps we would take and that he thought there would now be no great delay. He expects to inform the Legation as soon as the Netherlands note has actually been delivered to the French Government.

Respectfully yours, WARDEN MCK. WILSON

681.003/115 : Telegram

The Secretary of State to the Chargé in the United Kingdom (Atherton)

WASHINGTON, January 9, 1935—7 p.m.

5. Your 1, January 4, 5 p.m. With reference to the British point of view to the effect that the proposed exchange of notes with France with the view of establishing a system of quotas could not have any bearing on the treaty rights of the United States or on those of any other power in Morocco for reasons (*a*) and (*b*), please inquire of the British if it is not their understanding that the exchange in question is but the initial step in the establishment in Morocco of a general quota system applicable to different countries in varying degrees, and in such case is it not logical to conclude that very soon all of the nations which trade with Morocco, including those having treaties with most-favored-nation clause, will find themselves in situations where they must individually bargain with France on different commodities in order to carry on any trade with Morocco.

With reference to your paragraph 4 as to possibility of termination of Franco-British agreement of 1904, while Ponsot's note [10] to Laboulaye [11] is somewhat ambiguous it contains the following sentence: "The propitious moment for the introduction of the new regime appears to be the first of January, 1935, the date upon which will expire the period of 30 years for which the Franco-British declaration of April 8, 1904, had contemplated the maintenance of the 'principle of commercial liberty' both in Morocco and in Egypt."

With reference your paragraph 5 believe it would be advisable to keep our discussions with the British at this phase on an oral basis.

Please keep Department informed by cable of any new developments.

HULL

[10] Enclosure 4 with despatch No. 975, October 5, 1934, from the Diplomatic Agent and Consul General at Tangier; not printed.

[11] French Ambassador in the United States.

681.003/120 : Telegram

The Secretary of State to the Ambassador in France (Straus)

WASHINGTON, January 9, 1935—8 p.m.

11. Your 14, January 7, 7 p.m.[12] as a basis for your conversation with the Ministry regarding Moroccan situation, in order to avoid possible ambiguity with respect to the expiration of the Franco-British accord, it is suggested that you eliminate the second paragraph on page 4 of the Department's instruction 669, December 18,[13] and substitute for (1) on same page the second sentence at top of page 2 of the note enclosed [14] with the above instruction from Ponsot to Laboulaye which refers to the expiration of the period of 30 years for which the maintenance of the principle of commercial liberty was contemplated.

HULL

681.003/125 : Telegram

The Chargé in the United Kingdom (Atherton) to the Secretary of State

LONDON, January 12, 1935—5 p.m.
[Received 5 : 30 p.m.]

13. Department's 5, January 9, 7 p.m. With reference to Department's further inquiry as to British reasons (*a*) and (*b*), Foreign Office states that, (1) it is not their understanding that the exchange in question is the initial step in the establishment in Morocco of a general quota system applicable to different countries in varying degrees but that it is an agreement between themselves and the French on the subject of specific commodities and tariffs, with reservation by the British of all other rights. They point out again that they have bargaining rights with the French based on their treaties of 1856 with Morocco, which rights are not in their opinion contingent upon those of any other country.

(2) Referring to the Department's question whether it is not logical to conclude that very soon all the nations trading with Morocco, including those having treaties with most-favored-nation clauses, will find themselves in a situation where they must individually bargain with France on different commodities, the Foreign Office replied that France may refuse to bargain with other countries on this question. The Foreign Office thinks that the British under their treaties of 1856 with the Sultan of Morocco, possess an advantageous position for

[12] Not printed.
[13] *Foreign Relations*, 1934, vol. II, p. 876.
[14] Not printed; the sentence referred to is quoted in second paragraph of telegram No. 5, *supra*.

bargaining with France, not enjoyed by any other country except Spain. The Foreign Office states that of course other interested countries may threaten to carry the issue to The Hague and that this, which would not be desired by the French, might make them willing to bargain. (See my 633, December 21, 7 p.m.,[15] paragraph 2 and 3.)

Referring again to the reported suggestion made by Ponsot (Department's instruction to Paris No. 699 [*669*], December 18, 1934[16]) that the United States should give up their extraterritorial rights in Morocco in exchange for commercial guarantees, the Foreign Office observes again that the French have never made such a suggestion to them, but that 2 days ago a proposal was made by the Spanish Government that the extraterritorial rights of Great Britain in the Spanish Zone in Morocco be relinquished.

The Foreign Office are puzzled by this situation and the strictly confidential opinion was ventured that there may be some collusion between the French and the Spanish, with a view to securing complete abrogation of extraterritorial rights of all other powers in Morocco.[17]

ATHERTON

681.003/128 : Telegram

The Ambassador in France (Straus) to the Secretary of State

PARIS, January 15, 1935—6 p.m.
[Received January 15—6 p.m.]

42. Reference Embassy's telegram 14, January 7, 7 p. m.,[18] Marriner[19] and Williamson[20] had a long conference yesterday with St. Quentin,[21] de la Baume[22] and representatives of the French Department of Commerce on Moroccan commerce questions setting forth the considerations contained in Department's instruction 669, December 18, last year[23] as modified by its telegram No. 11, January 9, 8 p. m.

St. Quentin pointed out that he regretted the American complaints of past discrimination and fears for the future; that the present tariff changes and the project for the institution of quotas in Morocco are designed for the benefit of the Protectorate government and are not

[15] *Foreign Relations*, 1934, vol. II, p. 882.
[16] *Ibid.*, p. 876.
[17] See telegram No. 27, January 21, 6 p.m., from the Chargé in the United Kingdom, p. 1005.
[18] Not printed.
[19] J. Theodore Marriner, Counselor of Embassy in France.
[20] Harold L. Williamson, Second Secretary of Embassy in France.
[21] René Doynet Saint Quentin, Chief, Department of African and Levantine Affairs, French Foreign Office.
[22] R. de la Baume, Chief, Commercial Affairs Department, French Foreign Office.
[23] *Foreign Relations*, 1934, vol. II, p. 876.

discriminatory in favor of France which is to be treated on the same plane as all other nations. He said that the tariff alterations are intended to insure larger revenues to the Protectorate and consist in the raising of the tariffs from an average of approximately 12½ per cent to an average of approximately 15 per cent.

The institution of quotas, he said, is contemplated for entirely different reasons from those prevailing in France since there is extremely little home industry to protect. They are being set up partly on British initiative to correspond with a system initiated in British African colonies destined to protect the British textile industry against Japanese dumping which has grown to enormous proportions in all of this area during the last few years as well as to conserve the normal trade of all those nations long established in the Moroccan market. The global quotas are to be based on the trade for the last corresponding period for which statistics are complete, that is, initially for 1933 and subsequently for 1934. The allocation of these quotas by individual countries will be in accordance with the respective country's share in the trade during the years 1928 to 1938 inclusive. In other words: the global quotas are to be established for years including the influx of Japanese goods but the assignment of country allocations of these totals is to be based on years before Japanese trade increased to unusual proportions.

When it was objected that the institution of a quota system gave no elasticity or possibility for the expansion of trade in a country where consumption might be expected to be on the increase de la Baume pointed out that these quotas were considered as temporary measures and that in certain instances probably with respect to automobiles the global quotas would be increased at once over the highest consumption hitherto thus benefiting all nations having shares in it.

With respect to the question of the principle involved under the Act of Algeciras [24] and other treaties the French representatives said that they are faced with a practical question and are dealing with it in a practical manner leaving aside for future discussion all political questions. They felt no necessity for discussing the capitulations, their advantages or disadvantages, at this time. However the French Government is maintaining the principles set forth in the Act of Algeciras and is at present in negotiation with all the signatories thereof excepting Soviet Russia which, it was stated specifically gave up at the time of the French recognition [25] the benefit of all treaties signed by the Czarist Government and Germany and Austria whose treaty rights were annulled at the time of the signature of the peace treaties.

[24] For text of the General Act of the International Conference of Algeciras, signed April 7, 1906, see *Foreign Relations*, 1906, pt. 2, p. 1495.

[25] October 28, 1924.

As stated negotiations on tariff and quota matters are at present under way with all other signatories and an agreement with Great Britain is ready to be signed within the next few days. The French are willing to conclude similar agreements with all the other signatories including the United States.

The import quotas contemplated would cover the following products: (1) cotton fabrics; (2) natural silk fabrics; (3) artificial fabrics (rayon); (4) iron and steel, articles made thereof, machinery; (5) automobiles and spare parts; (6) inner tubes and casings; (7) refined sugar; (8) cement.

The texts of the French memoranda [26] regarding the bases for negotiation will be forwarded by pouch.

STRAUS

681.003/136

The Ambassador in France (Straus) to the Secretary of State

[Extract] [27]

No. 1529 PARIS, January 16, 1935.
[Received January 25.]

SIR: In my telegram No. 42 of January 15, 6 p.m., I had the honor to summarize a conversation held at the Ministry for Foreign Affairs on January 14 between officials of the French Government and Mr. Marriner and Mr. Williamson of the Embassy, concerning the proposed alterations in the Moroccan customs regime. A translation of the content of the Department's instruction No. 669 of December 18, 1934,[28] was first read to the French representatives, the original text being adhered to with the exception of a few slight modifications. In order that there might be no possibility of misinterpretation of the Department's views, an *Aide-Mémoire* was then left which included the most important of the American observations. For the completion of the Department's archives on the subject, the *Aide-Mémoire* is enclosed in copy and translation [29] and there is likewise attached in English and French the further observations [29] orally made on behalf of the Department, but of which no written text was left at the Foreign Office.

In my telegram under reference I reviewed the ensuing conversation as well as sketched the salient portions of the French proposal regarding economic changes in Morocco. The Embassy representatives were handed a memorandum embodying the project of negotiation, a copy and translation of which are furnished herewith. The following

[26] See *infra*.
[27] The omitted portion of this despatch is a summary of the two enclosures printed.
[28] *Foreign Relations*, 1934, vol. II, p. 876.
[29] Not printed.

morning M. Coursier of the Ministry for Foreign Affairs called at the Embassy and delivered an appendix to the French memorandum which treats in further detail the contemplated tariff changes. A copy and translation of this appendix are likewise enclosed. The Foreign Office representatives remarked in this connection that while it is not obligatory to consult the powers regarding the tariff changes they wished as a matter of courtesy to acquaint the American Government with the plan. They expressed the belief that the tariff alterations on the whole would be found advantageous to American trade.

.

Respectfully yours,

For the Ambassador:
THEODORE MARRINER
Counselor of Embassy

[Enclosure—Translation]

The French Ministry for Foreign Affairs to the American Embassy

MEMORANDUM

Moroccan trade with the United States is very favorable to the latter.

In 1933, the value of products imported from the United States into Morocco was Fcs. 70,612,000, while the value of Moroccan products imported into the United States was only Fcs. 7,933,000, or only a little more than one-tenth.

The Government of the Protectorate intends to establish in Morocco a quota system for merchandise in order to struggle against the abnormal development of importations from certain countries which have appeared of late in the Moroccan market (since last year Japan has moved up to second place on the list of countries importing into Morocco, following France closely and considerably ahead of countries which, like England, had for many years important commercial interests in Morocco).

It is for the purpose of reestablishing on normal bases the import trade of Morocco that a system of quotas, calculated in the same manner for all countries (in order to respect the rule of economic equality), has been devised following exchanges of views with the British Government during the course of the negotiations concerning the last Franco-British commercial treaty.

The products for the importation of which the quota system is proposed are the following:

Cotton fabric,
Natural silk fabric,
Artificial silk fabric (rayon),

Iron and steel, articles made of iron and steel, machinery,
Automobiles and spare parts for same,
Inner tubes and casings,
Refined sugar,
Cement.

The establishment and the allotment of the quotas would follow the ensuing lines:

A global quota, for each of the products enumerated in list A, would be fixed each semester by adopting as a basis the imports of the last corresponding period as ascertained from published statistics. Thus in 1935, the global quota for the first semester would be established in accordance with the statistics for the first semester of 1933, and that for the second semester in accordance with the statistics for the second semester of 1934. (Embassy's note: The Foreign Office explains that the statistics for the first semester of 1934 not being published as yet, it is necessary to have recourse to the figures for 1933.)

Within the limitations of the theoretical global quotas thus fixed, and which may be increased or reduced according to economic necessity, each exporting country would receive a quantitative share proportional to its imports of the product (into Morocco) based on the period from 1928 to 1933, inclusive.

Should a certain quota not be exhausted during the six-months' period for which it was established, the Government of the Protectorate would have the power to carry over the unused balance into the following semester, when requests were made of it so to do.

The allocation of quotas would be effected under the care of the Government of the Protectorate in collaboration with the trades organizations designated by the government of each of the exporting countries.

Concerning the collection of ad valorem duties, the regulations in force presenting certain defects which are detrimental to the Treasury, it has been decided to complete the present rules with provisions designed:

1) for the establishment of official price lists upon which the ad valorem duty would be calculated (these price lists would be drawn up each semester in the French zone within the limitations of the table giving maximum and minimum values established twice a year at Tangier by the representatives of the three zones of Morocco);

2) and for the creation of a committee of appeals charged with deciding, in last resort, conflicts between the customs administration and the importers (concerning especially the taxation of merchandise not included in the official price lists). This committee would be presided over by the president of the District Court (Tribunal du Ressort) or any other magistrate designated by him and would include the Chief of the Commercial and Industrial Service or an official of

836401—53——67

that administration designated by him, and a member designated by the importer.

This committee's deliberations would be valid with a quorum of two members present.

The Chief of the Customs' Service would have a consultative voice and would act as Secretary of the Committee of Appeals.

The balance of trade between Morocco and the United States being constantly in favor of the United States, the French Government would be pleased if, by analogy with the reciprocity clause adopted by the Council of the League of Nations in September 1930, concerning the A and B mandates, the Government of the United States should be disposed, as the British Government has done, to assure the French Government of its willingness favorably to consider any requests which may be presented to it with a view to granting, in commercial matters, to persons under the Moroccan jurisdiction or to merchandise originating in Morocco, advantages corresponding to those enjoyed in Morocco by American citizens and merchandise from the United States.

Concerning modifications of a similar nature to be introduced in the Tangier zone, the French Government is disposed to make proposals relative thereto while taking into account the economic conditions of the Tangier zone and in accordance with the procedure required by the status of that zone.

As a general observation, it is recalled that no measure concerning the Moroccan customs tariff may be put into force unless the French Government shall have consulted on the subject with the Spanish Government.

[Appendix—Translation]

TARIFF

The articles enumerated in the annexed list will be subject to a tariff of 25% ad valorem (including the 2½% ad valorem instituted by the Act of Algeciras) subject to the observations mentioned as a foot-note to the list.

The products necessary to agriculture, such as agricultural machinery, etc. as well as the primary materials necessary to industry, such as coal containing more than 10% of volatile products, etc. will be subject to reduced duties:

As concerns coal, the duties will be 10% ad valorem (including the tax of 2½% ad valorem instituted by the Act of Algeciras).

The other products, with the exception of those which will benefit from the customs free list (ships, paper for newspapers, various publications, etc.), will be the object of a normal tariff of 15% ad valorem (including the tax of 2½% ad valorem instituted by the Act of Algeciras).

The Administration of the French Zone will modify the vizirial decision of July 31, 1933, in such manner that the port taxes applicable to the products enumerated below shall be the same as those applicable to similar local products:

yarn and fabrics of pure or mixed cotton and all articles manufactured in yarn or fabrics of pure or mixed cotton;
yarn and fabrics of flax, hemp or artificial silk and all articles manufactured in yarn or fabrics of flax, hemp or artificial silk, pure or mixed;
yarn and fabrics of pure or mixed wool and all articles manufactured in yarn or fabrics of pure or mixed wool.

Products Subject on Importation to an Ad Valorem Duty of 25%

Cement
Food pastes
Seed oils*
Automobiles and spare parts†

681.003/152

Memorandum by the Chief of the Division of Western European Affairs (Moffat)

[WASHINGTON,] January 24, 1935.

The Belgian Ambassador called this morning to say that the French Government had informed the Belgian Government that it was in agreement with Great Britain to introduce a new régime into Morocco which would involve a system of quotas and possibly the raising of tariff rates. As it might be argued that this was inconsistent with the Moroccan treaties, the Belgian Government was asked for its views on instituting a system of quotas. Mr. van der Straaten in turn had received a request to know our attitude. I told him that we had been approached by the French informally some two months ago,[30] that we had replied that quotas were in essence discriminatory and were inconsistent with the principle of the Open Door which had been provided for in the Act of Algeciras. We felt that it was important (*a*) to maintain our stand in favor of the principle of the Open Door, and (*b*) to fight any system which would constitute a trade barrier. He might therefore count the American Government as opposed to agreeing to this problem and that furthermore the Dutch saw eye to eye

* The Government of the Protectorate envisages reduction in the rates of certain categories of these products in order to make possible the conclusion of commercial arrangements. [Footnote in the original.]

† This duty may be transformed into a specific duty. [Footnote in the original.]

[30] See despatch No. 993, November 23, 1934, from the Diplomatic Agent and Consul General at Tangier, *Foreign Relations*, 1934, vol. II, p. 863.

with us [31] and according to information given us a month or so ago by Rosso,[32] the Italians agreed with us. If it appeared that the situation in Morocco was critical and if the French desired to institute a reasonable increase in tariff rates and if this were agreed to by all the signatories [33] of the Algeciras Pact and if it were applied without discrimination, then we might be willing to waive our rights to that extent on the theory that this was a normal and non-discriminatory manner of meeting an exceptional situation.

PIERREPONT MOFFAT

681 003/140 : Telegram

The Chargé in Italy (Kirk) to the Secretary of State

ROME, January 26, 1935—noon.
[Received January 26—9 : 47 a.m.]

31. Department's instruction No. 324, December 24, 1934.[34] Department's views as in the enclosure to the above-mentioned instructions were communicated orally to a Foreign Office official but owing to the fact that the Director of the African Division, with whom the subject of the customs regime in Morocco had been previously discussed, was occupied, first with Laval's visit and subsequently with the Italo-Abyssinian negotiations at Geneva,[35] it has not been hitherto possible to obtain a statement as to the developments in regard to this matter.

The Director of the African Division has now informed me that during the recent Franco-Italian conversation in Rome the question of trade in Morocco was discussed and the French urged strongly the necessity of taking steps to check Japanese commercial penetration in that territory.[36] The Italians, I was told, replied that they were not willing to abandon the principles underlying the treaties and conventions affecting the protectorate but that they had finally agreed to discuss with the French the possibility of establishing some system of quotas which would meet the dangers described by the French. This the director added he believed to be in general conformity with the views of the British. I was furthermore informed that no written agreement along these lines was signed by the French and the Italians but that in pursuance of the understanding reached conversations are

[31] See despatch No. 135, January 7, 1935, from the Chargé in the Netherlands, p. 952.
[32] Augusto Rosso, Italian Ambassador in the United States.
[33] Austria-Hungary, Belgium, France, Germany, Great Britain, Italy, Morocco, the Netherlands, Portugal, Russia, Spain, Sweden, and the United States.
[34] Not printed; it enclosed a copy of instruction No. 669, December 18, 1934, to the Ambassador in France, *Foreign Relations*, 1934, vol. II, p. 876.
[35] See pp. 594 ff.
[36] For other aspects of the conversations between the Italian Head of State and the French Council of Ministers, see pp. 170–187.

now being carried out here with a French official who has come to Rome for that purpose. I concluded my conversation with the Director of the African Division by referring again to the views of the United States Government on this matter as outlined in its above-mentioned instruction emphasizing the statement contained in the penultimate paragraph of page five of the enclosure.

Not repeated elsewhere.

KIRK

681.003/142 : Telegram

The Chargé in the United Kingdom (Atherton) to the Secretary of State

LONDON, January 30, 1935—5 p. m.
[Received January 30—1 : 30 p. m.]

41. Embassy's telegram 27,[37] Foreign Office informs the Embassy as follows:

(1) Notes regarding French Zone of Morocco and Tangier Zone were exchanged with the French yesterday in London.

(2) Arrangement is not to come into effect until a date to be fixed later by mutual agreement.

(3) Foreign Office states it will not consent to making the agreement on the French Zone effective except simultaneously with those on the Tangier Zone and Spanish Zone.

(4) Agreement on the Tangier Zone must be approved by the Tangier Legislative Assembly and the Tangier Committee of Control under the Statute of 1923.[38]

(5) The agreement on the Spanish Zone has not yet been reached.

ATHERTON

681.003/143 : Telegram

The Ambassador in France (Straus) to the Secretary of State

PARIS, January 31, 1935—1 p.m.
[Received January 31—11 : 50 a.m.]

79. The complaints enclosed with the Department's instruction 708 of January 15[39] were yesterday discussed at length with Monsieur

[37] January 21, 6 p. m., p. 1005.

[38] Convention Regarding the Organization of the Statute of the Tangier Zone, signed at Paris by France, Great Britain, and Spain, December 18, 1923, League of Nations Treaty Series, vol. XXVIII, p. 541; for correspondence concerning invitation to the United States to adhere to the convention, see *Foreign Relations*, 1924, vol. II, p. 456, and *ibid.*, 1925, vol. II, p. 590.

[39] Not printed; it transmitted a résumé of violations of Moroccan treaties by French Protectorate authorities from 1923 to 1934, a summary of which was the concern of despatch No. 1002, December 14, 1934, from the Diplomatic Agent and Consul General at Tangier, *ibid.*, 1934, vol. II, p. 870.

Coursier of the French Administration in Morocco upon his return from the Moroccan negotiations in Rome. He is now engaged in detailed study of the complaints and has promised to indicate those on which additional information is desirable with a view to prompt ratification [*rectification?*] if possible. Meanwhile he states that in the instance of a great many of the complaints (as for example the first one) it appears to have been forgotten that by an exchange of notes completed on October 20, 1917, between the Secretary of State and Ambassador Jusserand the United States did recognize the Protectorate of 1912 (Embassy presumes reference is made to correspondence on pages 1093 to 1096 of *Foreign Relations of the United States* for 1917). In other words Monsieur Coursier feels that while the United States is obviously entitled under the Treaty of Algeciras to economic equality with other nations including France, the circumstance seems to be ignored that the subsequent Protectorate treaty permits the institution of internal economic reforms such as the granting of concessions and contracts to companies domiciled in Morocco the advantages of which are equally open to American capital.

He states that an accord embracing the present French quota and tariff proposal has now been signed by Great Britain and that the Italian Government has just agreed [40] to the proposal (signature shortly to follow) subject only to the following two reservations: (1) that for the future further tariff augmentations will not be made without Italian consent on list of a very few articles of primary interest to Italian trade and, (2) that the Italian quotas should not be reduced below the quantity of imports from Italy during the year 1933.

Monsieur Coursier is leaving for Morocco on February 7 and expresses the hope that the American Government may be disposed to telegraph as soon as possible the substance of its response to the French proposal as outlined in my telegram No. 41 [*42*], January 15, 6 p. m., and despatch No. 1529 of January 16, in order that at least a basis for understanding may be reached before his departure.

STRAUS

681 003/144 : Telegram

The Ambassador in Italy (Long) to the Secretary of State

ROME, February 2, 1935—1 p.m.
[Received February 2—8:37 a.m.]

43. Embassy's telegram 31, January 26, noon, and despatch number 941, January 31st.[41] Director of African Division informs member of Embassy that French official who was discussing here the question

[40] See telegram No. 43, February 2, 1935, 1 p. m., from the Ambassador in Italy, *infra*.

[41] Despatch not printed.

relating to the customs regime in Morocco has returned to Paris after having reached a tentative agreement with the Italian authorities on the subject of the establishment of a system of quotas on certain importations into Morocco as well as on the augmentation of customs duties up to 25 per cent on certain commodities.

The Italian authorities state that they have insisted that the principles underlying the customs regime in Morocco must be maintained and that any arrangements of a practical nature such as outlined above must be agreed to by all the interested governments.

LONG

681.003/143 : Telegram

The Secretary of State to the Ambassador in France (Straus)

WASHINGTON, February 9, 1935—3 p.m.

47. Your 79, January 31, 1 p.m., 42, January 15, 6 p.m., and despatch 1529, January 16. Coursier's reference to recognition of French Protectorate disregards repeated declarations of this Government that recognition did not include adherence to protectorate treaties or any modification of American treaty rights which could be effected only by another treaty with the concurrence of the Senate. Recognition of Protectorate was expressly based on informal note from Secretary of State to French Ambassador, Washington, dated January 2, 1917,[42] which declared that "there would remain for further negotiation the question of our capitulatory and other rights in Morocco". See instruction to Embassy, September 21, 1922,[43] copy of which was handed to Foreign Office on October 6, 1922, and copy of instruction to Tangier of September 2, 1926.[44]

This Government is greatly surprised at the statement in your despatch 1529, January 16, attributed to the Foreign Office representatives, that it is not obligatory to consult the powers regarding tariff changes and that they wished as a matter of courtesy to acquaint the American Government with the plan. We should like to have the Foreign Office furnish an official statement of the grounds on which this view is based. This Government strongly believes that it is obligatory that the parties to the Act of Algeciras should not only be consulted but that each power should acquiesce before any changes are made in the customs regime in Morocco.

We seriously doubt the correctness of the statement of the belief that the tariff alterations on the whole would be found advantageous to American trade, attributed also to the Foreign Office representatives, since at least four of this country's exports to Morocco, repre-

[42] *Foreign Relations*, 1917, p. 1093.
[43] *Ibid.*, 1922, vol. II, p. 723.
[44] Not printed.

senting approximately one-half of our total trade, including the major item automobiles, would be placed under quota, with a sharp increase in duty on automobiles.

In reply to the statement attributed to the French in your 42, January 15, to the effect that the French Government, in the establishment of the new regime, is maintaining the principles set forth in the Act of Algeciras, you should reiterate and emphasize the third paragraph of the Department's 669, December 18, 1934.

HULL

681.003/150 : Telegram

The Secretary of State to the Ambassador in France (Straus)

WASHINGTON, February 19, 1935—7 p.m.

61. Your 122, February 12, 1 p. m.[45] You may advise the French Government that this Government does not feel that it could usefully negotiate on the proposals regarding Morocco as outlined in the French memorandum and the appendix to the memorandum enclosed with your despatch 1529 of January 16, since the project, as we interpret it, involving a system of quotas which are inherently discriminatory, and a unilateral balancing of trade, is out of harmony (1) with the principle of commercial equality as guaranteed to the Powers in the Act of Algeciras, and by the French in various treaties which constitute the basis of the French Administration in Morocco, as cited in paragraphs 4 and 5 of the Department's 669 of December 18, and (2) with our general policy to encourage the fullest volume of mutually profitable commerce throughout the world by the removal of trade barriers.

HULL

681.003/158

The Ambassador in France (Straus) to the Secretary of State

No. 1645 PARIS, February 19, 1935.
[Received February 28.]

SIR: Referring to the Department's telegraphic instruction No. 47 of February 9, 3 p.m., 1935, I have the honor to transmit herewith a memorandum of a conversation which took place on February 15 between a member of the Embassy staff and a representative of the Ministry for Foreign Affairs with regard to the specific points raised in the Department's telegram and the general subject of the French proposal for economic reforms in Morocco. Although there has been

[45] Not printed.

no opportunity to revise the memorandum, it is felt that it will prove fully self-explanatory concerning the situation as it exists at present.

In order to complete the memorandum there is enclosed the text of the pertinent portion [46] of Sir John Simon's note to the French Government reserving to Great Britain all treaty rights but consenting by derogation therefrom to the specific reforms under contemplation. Since this note was read to the Embassy with the understanding that it had not yet been made public, it would be appreciated if the text might be regarded as confidential and the British Embassy should not be informed that we are acquainted with its precise content.

Finally, I append a personal communication [46] from M. Coursier of the Ministry for Foreign Affairs, dated February 15 but not received until the 19th, together with its enclosure, a memorandum concerning the general way in which the projected quota system may be expected to function. It may be observed that the Government of the United States would be given an opportunity to submit observations directed towards the framing of the quotas in such manner that their functioning might be as advantageous as possible to American commerce.

As indicated in the Embassy's memorandum the French Government recognizes that we have certain very definite treaty rights. It is not attempting to discuss these rights nor to claim that there is any legal obligation upon us to submit to alteration thereof. What it asks is that quite aside from juridical considerations the Government of the United States consent, entirely as a matter of good will and while making full reservation with regard to its treaty position, to certain reforms in the economic system of Morocco which are deemed expedient to the normal development of Morocco.

I think there can be no doubt in any of our minds that it is unfortunate that, largely due to British insistence, a limited quota system should be envisaged as part of the economic plan. The best that can be said is that the French Government seems to be sincere in its desire to adapt the system so far as possible to American needs. If the Department should decide to accept in principle the projected economic reforms, it would appear possible through collaboration between French and American authorities to safeguard American imports into Morocco under the quota system. It is evident that the French authorities would welcome our observations on the subject and the Diplomatic Agency at Tangier together with the Consulate at Casablanca should be best fitted to advance pertinent recommendations, should the negotiations reach that point.

It seems to me worthy of consideration what our position will be in the event we do not consent to the reforms. Doubtless the reforms will

[46] Not printed.

be put into effect with or without approval since the other powers concerned are one by one withdrawing their objections. We should then be left as we were as concerns the Protectorate Treaty—a non-adhering power which could only continue to lodge protests and which would be forced into the invidious position of having been an obstacle to the reforms. I do not pretend to advocate the modifications any more than I am disposed to oppose them. It appears to me however that if they are inevitable, we might as well accept them with good grace and obtain credit for so doing, as well as secure a voice in the drafting of the quotas.

In this connection it may be appropriate to state that latterly the French Government has in several Franco-American commercial matters afforded instances of that good will which we have long preached to them is a prerequisite to better understanding. The most practical means of demonstrating to the French authorities that liberal gestures are worth while is to respond in kind. In consequence, without passing on the merits of the Moroccan proposals, I recommend that they be given at least sympathetic consideration.

Respectfully yours, JESSE ISIDOR STRAUS

[Enclosure 1]

Memorandum by the Second Secretary of Embassy in France (Williamson)

PARIS, February 18, 1935.

On February 15 M. Coursier and M. Seydoux, representatives of the Ministry for Foreign Affairs, called upon me at my request to discuss at further length the French proposals for economic reforms in Morocco. I handed them an *aide-mémoire* containing the observations included in the Department's telegraphic instruction No. 47 of February 9, 3 p.m. M. Coursier stated that he would prefer to regard the *aide-mémoire* as an informal memorandum connected with the negotiations rather than as a communication addressed to the Ministry for Foreign Affairs requiring an official response. In this way he will be able to furnish the Embassy with a personal reply which will not involve the two Governments in a controversy over technical points.

M. Coursier stated that, as we were informed on the occasion of our first meeting [47] at the Foreign Office, the French Government hopes that the United States Government will not treat the French proposals from a juridical standpoint. In other words, it is desired that the proposals be considered outside of the framework of juridical rights.

[47] See telegram No. 42, January 15, 6 p. m., from the Ambassador in France, p. 955.

It is recognized that the United States has its thesis concerning American treaty rights and of course the French Government likewise has its thesis with regard thereto but if we were to enter into a protracted argument with regard to these rights no progress would be made. The French Government therefore hopes that while making any reservations which we may care to concerning our treaty rights, we may as a friendly gesture give favorable consideration to the French proposals entirely outside of our juridical position, in so doing taking account of the development in Morocco and the consequent need of a more flexible economic system.

It was such a course as advocated above that the British Government followed in accepting the French proposition. M. Coursier read to me an official note from Sir John Simon in reply to the French representations. The second part of the note contains the text of the French proposal which was accepted by the British, subject to certain modifications. In the preamble of the note the British Government took care to state that it was accepting the French project as a matter of friendship upon the distinct understanding that British treaty rights were not affected and that the acceptance only apply to the reforms at present visualized. I attach hereto the pertinent portions of the preamble to the British note [48] in the belief that should our Government ultimately give favorable consideration to the French proposal, our juridical position may be conserved in much the manner employed by the British Government.

With regard to paragraph (1) of the Department's instruction No. 47, M. Coursier stated that we are of course entitled to our thesis by which we maintain that the exchange of notes, and particularly that of January 2, 1917, from the Secretary of State to the French Ambassador in Washington,[49] recognized only the French Protectorate in Morocco and did not include adherence to protective treaties or any modification to American treaty rights. He expressed the belief, however, that such considerations are not useful at this time since the French Government is not insisting that it has the right under the treaties to force us to accept the projected economic reforms, its stand being that quite aside from treaty rights it is asking us to consent to a much needed economic reform.

As to the second paragraph of the Department's telegram, concerning whether it is obligatory for the French Government to consult us other than as a matter of courtesy with regard to the proposed augmentation in the Moroccan tariff, the French, as previously stated, would prefer to avoid a juridical argument. Nevertheless, in order

[48] Not printed.
[49] *Foreign Relations*, 1917, p. 1093.

to respond to the Department's request for an explanation, M. Coursier sketched the situation as follows: Neither the American treaty with Morocco [51] nor the treaty of Algeciras contains any clause fixing the tariff rates at the present 10%. The clause relative to tariff rates is included in the British treaty and our right to insist upon the *status quo* relative to present tariff rates arises only in virtue of the most-favored-nation clause of the American-Moroccan treaty. In consequence, if the British Government now consents to permit the augmentation of certain of the tariff rates it is not logical to suppose that our most-favored-nation clause affords us rights which the British Government no longer enjoys and of which they have made express derogation.

The Embassy did not fail to stress at length the inequities of the quota regime and it inquired if the French Government could not abandon that portion of its program. M. Coursier replied that personally he feels as we do about the quota system but that the British Government had insisted on the inclusion of certain quotas and that an agreement having been made on this point with Great Britain, the French Government is not in a position to abandon the six quotas envisaged. I then stated that while the quotas in question might be to the advantage of British trade, they were certainly badly chosen so far as concerns our trade in that they hit some of our outstanding exports, notably automobiles. I then read him excerpts from the despatch of the American Consul [52] at Casa Blanca, dated February 8, enclosed with Mr. Blake's despatch of February 9, 1935.[53] In reading him these excerpts I explained that if the quotas were not based on favorable years for United States trade or if in certain instances all products of a given nature were lumped under one heading, United States trade would greatly suffer despite the circumstance that the quotas are theoretically applied without discrimination. It was further pointed out that if the quotas on given general classifications of products were broken down into separate tariff categories, the effect on American trade would be largely dependent upon how fairly the customs nomenclature corresponds with actual imports from the United States. Finally it was pointed out that the customs statistics themselves were oftentimes assembled in such way as not to give a fair picture of American imports into Morocco and that if customs statistics were taken as a basis for quotas, our trade would be strongly prejudiced as regards many items such as, to take a single example, batteries for automobiles.

[51] Treaty of Peace, signed at Meccanez, September 16, 1836, Hunter Miller (ed.), *Treaties and Other International Acts of the United States of America*, vol. 4, p. 33.

[52] George D. Hopper.

[53] Neither printed.

M. Coursier was much impressed with the exposé of the quota system as given by Consul Hopper and he remarked that it was a very able piece of work and threw an entirely new light on the matter. He said that of course the projected quota system is not in any sense aimed at American commerce and that therefore the desire of the French Government is to make its application as little onerous as possible to American interests. He thought that in conjunction with the Embassy and the Diplomatic Agency the quota system might be so worked out as to give due weight to the preservation of the American position. I subsequently asked M. Coursier, at the Ambassador's request, to submit to the Embassy a preliminary sketch [54] showing just how the quotas will function, including the manner in which the general classifications or chapters will be broken down into separate categories if such is the intention of the French Government. This he promised at once to do and after the sketch is received the American authorities concerned will be in a position to judge precisely how American trade will be affected and what changes in the proposed quota system must be recommended. M. Coursier expressed himself as desirous, in so far as possible, of adapting the quota system to our requirements.

With regard to page 3 of Consul Hopper's report, item 2 under the tariff reforms, M. Coursier stated that the constitution of the Committee of Appeals had been radically altered in the agreement with the British from the manner outlined by the Consul and that it is thought the arrangement now envisaged is not only fair but provides advantageous facilities for appeal which will do away with the present autocratic handling of customs disputes by M. Serra, whose wings are apparently to be clipped.

Finally, in answer to my inquiry, M. Coursier explained with regard to the observations of Mr. Blake, contained in paragraphs (1) and (2) on page 3 of his despatch of February 9, that while quotas will be applied in the Spanish Zone and the Tangier Zone as well as the French Zone in Morocco, three distinct systems will be constituted so far as concerns licensing and customs statistics. In consequence the percentages of the American allocations applied in the French Zone will have no bearing whatsoever in the Spanish Zone, for example, where the allocations to individual countries will be made in conformity with the trade statistics of that particular zone. Thus, if we now have 90% of the automobile trade in the Spanish Zone, we should continue to enjoy 90% under the Spanish Zone quota system.

H[AROLD] L. W[ILLIAMSON]

[54] *Infra.*

[Enclosure 2—Translation]

Memorandum Regarding the Mode of Application of the Quotas

[PARIS,] February 15, 1935.

The group designation of merchandise to be placed under quota, as it is given in the proposed customs reform for the Shereefian Protectorate, is merely a general nomenclature indicating divisions by chapters.

In the application, quotas would be fixed according to categories of manufacture, according to the schedules given in the official nomenclature of commercial statistics such as is published yearly.

Quotas would be fixed separately for each zone and might include similar or different types of merchandise, but they should be established according to uniform rules, that is, in accordance with statistics of the period chosen by common agreement.

Merchandise under quota might be shipped from one zone to another, providing the importers shall have obtained licenses in the manner provided for by the regulations.

Licenses would be granted for a period of six months within the limits of the quota apportioned among the exporting countries in proportion to their imports into Morocco of the merchandise under consideration during the period from 1928 to 1933. The Government of the Protectorate would have the power, in case of necessity, of carrying over unused licenses from the first to the second semester.

These rules, which form the basis of the quota system, are susceptible of such modification as may be justified by the suggestions or observations presented by the Powers concerned, in so far as the suggestions do not run counter to the principle of equality of treatment which characterizes the reform contemplated by the Protectorate.

681.003/159 : Telegram

The Ambassador in France (Straus) to the Secretary of State

PARIS, March 1, 1935—1 p.m.
[Received 2:35 p.m.]

171. The contents of the Department's telegram No. 61 of February 19, 7 p.m. was informally communicated to the French Government. At the same time it was pointed out that the quota system is the most obnoxious portion of the contemplated economic reforms in Morocco and that before the Department's views are officially communicated it might be to French advantage to endeavor to arrive at a formula whereby the quota system were abandoned.

After some days of study and consultation the French representative replied that the French Government was too definitely committed

to the British Government on the subject of quota protection to withdraw that portion of its project. He asked that the Department reconsider its objections in the light of the alleged circumstances (1) that the quotas are not as normally is the case restrictive but on the contrary are designed to protect the established trade of the countries signatory to the Treaty of Algeciras and (2) that if the United States accepts the French authorities will do their utmost in consultation with us to render the quota system unobjectionable and (3) that a general arrangement may be entered into as in the case of the British in which our interests may be considered and sympathetic study given to many of the complaints enclosed with the Department's instruction No. 708 of January 15, 1935.[55]

The French official was informed that even were our interests considerably benefited we should still be opposed as a matter of principle to the quota system. He responded that we are "the only country adopting other than a utilitarian view of the matter". This and other more definite remarks indicate that whether or not we assent the French Government is determined to put the reforms into effect.

STRAUS

681.003/159 : Telegram

The Secretary of State to the Ambassador in France (Straus)

WASHINGTON, March 16, 1935—3 p.m.

92. Your despatch 1645, February 19, and your telegram 171, March 1, 1 p.m. Department has given careful consideration to the observations of the French representatives as outlined therein and can see no valid reason for changing its decision as set forth in Department's 61, February 19, 7 p.m.

In connection with the indications you reported that whether or not we assent to the proposals, the French Government is determined to put the reforms into effect, we feel that we should reiterate our position as stated in second paragraph of Department's 47, February 9, 3 p.m., as follows: This Government strongly believes that it is obligatory that the parties to the Act of Algeciras should not only be consulted but that each Power should acquiesce before any changes are made in the customs regime in Morocco.

In order that there may be no misunderstanding, since the discussions in Paris have been informal, we feel that the time has come to lodge with the Ministry for Foreign Affairs this Government's formal protest against the establishment of the proposed system on the following grounds: (1) The system involving quotas would prove to be discriminatory and, therefore, definitely out of harmony with the principle of commercial equality as guaranteed in the Act of Algeciras

[55] See footnote 39, p. 963.

and by the French in various treaties and declarations which constitute the foundation of the French Administration of Morocco. (2) The establishment of such a system would be particularly unfortunate at this time when efforts are being made to increase world trade by the removal of trade barriers. (3) From the point of view of this Government the essence of the Moroccan question is the maintenance of the "Open Door" which would preclude our assenting to any proposals inconsistent therewith.

For your information despite Coursier's assertion that we are "the only country adopting other than a utilitarian view of the matter" we understand that the Netherlands [56] and Belgium [57] are opposed and that Spain [58] is reluctant to accept.

If you should deem it inadvisable to lodge this formal protest at this time, please telegraph statement of your reasons therefor.

HULL

881.003/166 : Telegram

The Ambassador in France (Straus) to the Secretary of State

PARIS, March 18, 1935—11 a.m.
[Received March 18—8 : 15 a.m.]

213. Reference Department's telegram No. 92 of March 16, 3 p.m. It would seem wiser to defer formal protest in connection with rights under the Algeciras Treaty until results of Laval's [59] appearance before Senate Finance Commission on Double Taxation are known. (See my telegram No. 209, March 16, 10 a.m.)[60] This especially since Department's views relative to Morocco are already well known to Foreign Office through informal discussions.

STRAUS

681.003/175

The Consul at Casablanca (Hopper) to the Secretary of State

No. 39 CASABLANCA, March 29, 1935.
[Received April 15.]

SIR: I have the honor to refer to despatches Nos. 1036 and 1038, dated March 22 and 25, 1935, respectively, from the Diplomatic Agency at Tangier,[61] relative to conferences between M. Coursier and the two leading trade organizations of Morocco, namely, the French Chamber

[56] See memorandum of November 9, 1934, by the Chief of the Division of Western European Affairs, *Foreign Relations*, 1934, vol. II, p. 855.
[57] See memorandum of January 24, 1935, by the Chief of the Division of Western European Affairs, p. 961.
[58] See telegram No. 15, February 21, 6 p.m., to the Ambassador in Spain, p. 1012.
[59] Pierre Laval, French Minister for Foreign Affairs.
[60] Vol. II, p. 247.
[61] Neither printed.

of Commerce, and the Federation of Corporations, which were held shortly after the return of M. Coursier from the Imperial Conference at Paris. In addition to these two conferences, M. Coursier also held a short interview with the Native Chamber of Commerce, but limited his remarks to assurances that no higher duties would be imposed on imports for native consumption, and that there would be no increase in prices or cost of living. He did not attempt to explain how the proposed changes in the customs régime could fail to result in increased costs, especially how British cottons might replace cheaper Japanese cottons without added costs to the consumer.

Judging from information obtained from native sources the assurances of M. Coursier did not arouse much hope in the minds of native merchants, and therefore his mission of placating opposition to the French schemes in that quarter was not a success.

The same result may be surmised from private interviews among leading business men concerning the conferences with the two trade bodies mentioned in the first paragraph. My informants were distinctly of the impression that M. Coursier was sent from Paris at this juncture on a trip of conciliation, in order to bring back into line the sentiment of the business community in favor of the Government proposals. All seem agreed that Mr. Coursier accomplished very little in this respect, and that in certain instances the opposition had become stronger and bolder. Even the Government organ, the *Petit Marocain*, has indulged in criticism of some of the vague and indefinite statements made by M. Coursier, which although sounding most pleasant to the ear, have lacked many things in the form of definite conclusions so much desired by a worried business public.

In direct contrast with the suave diplomacy practiced by M. Coursier, another method of more brutal character has been employed by the President of the Chamber of Commerce, M. Chapon, who has also just returned from the Paris Conference. M. Chapon was the specially appointed delegate from the Resident-General, and is supposed to act as his mouthpiece in dealing with Moroccan business organizations. His Secretary, M. Renoux, has reported back in Casablanca that in Paris there seemed to be an astonishing feeling against Moroccan economic aspirations because Morocco bought too much from foreign countries, and not enough from France. The situation, therefore, was dominated by the greed of French industrialists to expand their foreign markets at any cost, and if possible, to impose a policy upon French Morocco. At this stage of the negotiations the Moroccan delegation was confronted with the following offer, and was told that they could take it or leave it:

That Morocco must reform her customs tariff in such a manner to restore to France her former share of import trade (about 65%) by instituting a system of quotas and contingents.

In exchange for this, Morocco would receive assistance in her debt burden; assistance for French colonists in Morocco; maintenance of present quotas of local products allowed to enter France duty free and vague promises to increase same; inclusion of Morocco in any commercial treaties between France and a foreign power. Failure to accept these conditions would mean the abandonment of Morocco to her own resources, and the withdrawal by France of present import quotas at the end of two years, leaving Morocco as any other foreign country with respect to imports to France. It was also stated that Morocco would not be in position to defend herself against trade barriers erected by other nations, because her only method of negotiation is through the Quai d'Orsay.

This "ultimatum" handed to the Moroccan delegation is believed to have been intended as a "big stick" to be employed by Chapon upon his return in an effort to frighten local business into submission to the Government proposals; that it was a mere bluff, as France cannot afford to abandon the Protectorate in the fashion outlined above. So far the effects of the ultimatum have been nil, and it appears that the trade bodies are as firmly opposed to the Government program as ever. Such a policy, if it may be so dignified, is, however, along the lines so frequently adopted by the French industrialists, dominated by powerful banking groups, who are well known in Morocco for their selfish and short-sighted attitude, and who leave the Quai d'Orsay the task of finding some devious means of putting their programs into effect.

The Consulate is reliably informed that when the delegation of the Comité des Industriels interviewed M. Laval, he became incensed over the proposed increase in duties and told M. Ponsot, Resident-General, that he had been instructed some time ago to reduce costs of administration by 60 million francs, and that the figure now should be raised to 100 millions; that the question of customs duties, if necessary, would receive consideration after administrative economies had been effected. In another interview with Moroccan delegates the French Prime Minister again showed impatience with regard to their demands by stating that he was well acquainted with affairs in the Protectorate, and that if they would only set their house in order before complaining they would have nothing to complain about.

The information submitted above does not tend to clarify the confused situation in the matter of proposed customs reform, but it is believed that several more missing pieces have been added to the puzzle. Local opposition among responsible trade organizations, also in the press, is crystallising, and becoming more open in the battle. On the other hand, M. Coursier, the official negotiator of the Resident-General, has been unable to give any assurance that the official project

has been accepted by any foreign power. Nothing more is heard of the reported British acceptance of last December, and my Belgian colleague states that his Government has accepted nothing. Well informed persons seem to agree on the following:

1.—That the whole scheme was put forward for fiscal reasons, and in an effort to make a breach in the Act of Algeciras,

2.—That the Resident-General and M. Coursier appear to be very doubtful whether the reform will go through, as M. Coursier has already hinted that "there is still time to back water",

3.—That most of the present activities of the local delegates who have returned, are principally to save the face of the Resident General,

4.—That local commercial bodies, Chamber of Commerce, Federation of Corporations, Comité Central des Industriels, are reaching an agreement in views, viz, that the *status quo* is the best solution of the present confusion, and that the project in its present form should be opposed.

The writer therefore firmly believes that in view of the marked division of opinion in Morocco itself, and the manifest deficiencies in the whole French proposal, as has been reported upon frequently, there appears to be an excellent chance that it will be shelved as unworkable and undesirable. The necessity, however, of maintaining our opposition to the French scheme is by no means lessened, since the slightest indifference, or hint of concessions of any nature, is immediately caught up and broadcast in multiple volume, in the endeavor to weaken opposition on another front.

Respectfully yours, GEORGE D. HOPPER

681.003/168

The Secretary of State to the Chargé in France (Marriner)

No. 828 WASHINGTON, March 30, 1935.

SIR: The Department has received from the American Diplomatic Agent at Tangier, a despatch No. 1032, March 8, 1935,[62] regarding the modification of the Moroccan economic regime—the protection of Moroccan industries—customs valuation scheme, a copy of which was forwarded from Tangier to the Embassy.

The Department has observed with interest and wishes to call to the particular attention of the Embassy the reference on pages 7 and 8 of this despatch to the alleged declarations of M. Ponsot, French Resident General in Morocco, before the Chamber of Commerce at Casablanca, to the effect that the proposed modifications are imposed:

"By the necessity to favor French commerce, in exchange for the advantages demanded of France (contingents) a 'sine qua non' condition of French Colonization;

[62] Not printed.

"By the necessity for protecting Moroccan industries against foreign attack;

"Finally, by the necessity to restore the yield of the customs duties, jeopardized by the 'ad valorem' regime applied to constantly decreasing prices."

The first of these declarations, according to Mr. Blake, is in absolute contradiction with M. Ponsot's solemn assertions to him that he (Ponsot) did not desire to obtain any advantage in favor of French interests in Morocco, and none of them appear to be compatible with the construction placed by M. Coursier, in his conversations with the Embassy at Paris, upon the object of the French Government's proposals.

The Department is of the opinion that perhaps the Embassy may desire to make use of this material in future discussions with the French Ministry for Foreign Affairs regarding the proposed modification of the customs regime in Morocco.

Very truly yours, For the Secretary of State:
WILLIAM PHILLIPS

681.003/178

The Ambassador in France (Straus) to the Secretary of State

No. 1767 PARIS, April 8, 1935.
[Received April 17.]

SIR: In confirmation of my telegram No. 305 of April 6, 4 p.m., 1935,[64] I have the honor to report that on that date a Secretary of the Embassy personally delivered at the Ministry for Foreign Affairs a note stating that the Government of the United States does not feel that it could usefully negotiate on the proposals (as outlined in the French memorandum and appendix, copies of which were transmitted to the Department as enclosures to my despatch No. 1529 of January 16) regarding the contemplated modification of the present customs regime in Morocco and formally protesting against the institution of the proposed modifications.

A copy of the Embassy's note,[64] which as nearly as possible adheres to the text of the Department's telegraphic instruction No. 92 of March 16, 3 p.m., is attached hereto.

Respectfully yours, For the Ambassador:
THEODORE MARRINER
Counselor of Embassy

[64] Not printed.

681.003/180

The Ambassador in the United Kingdom (Bingham) to the Secretary of State

No. 1359 LONDON, April 11, 1935.
[Received April 19.]

SIR: I have the honor to report, as of possible interest, that during a recent visit to convey the substance of the Department's instruction No. 772 of March 27, 1935,[65] concerning the question of surrender of capitulations in the Spanish zone of Morocco, the Foreign Office made the following remarks concerning the modification of the customs régime in the French zone.

The Foreign Office had received both from Paris and Morocco "indications" that the French Government had decided to abandon its efforts to bring about the modification of the customs régime. The Foreign Office asked whether the Embassy had heard anything in this particular relation, and the Embassy replied that it had not.

Though the Foreign Office did not state the precise nature of the "indications" of a change in French policy, it said that no information on the subject had come direct from the French and that, therefore, officially the situation remains unaltered since the exchange of notes between the two Governments on January 29. (See the Embassy's telegram No. 41 of January 30, 5 p. m.)

As to the reasons for such a change in French policy, the Foreign Office said that the possible explanations which had been suggested were the opposition of other countries, such as the United States, the possible opposition in Morocco to measures which would increase the cost of living, or a combination of both. Though there might, of course, be other causes, such as those arising in French domestic politics, the Foreign Office thought that the two mentioned above seemed at present the most plausible.

The Foreign Office said that it would be grateful for any information which the Embassy might receive which would cast any light on the subject.

Respectfully yours, For the Ambassador:
RAY ATHERTON
Counselor of Embassy

681.003/184

The Danish Legation to the Department of State

AIDE-MÉMOIRE

The General Act signed in Algeciras on April 7, 1906, concerning the international status of Morocco to which the United States is a

[65] *Post*, p. 1016.

Party is based on the principle of equality for the commerce of all nations with Morocco. This was not changed when France in 1912 assumed the protectorate over Morocco as the Treaty of November 4, 1911, between France and Germany[66] which was approved by the other parties to the Algéciras-Act stipulated that such protectorate should not interfere with the existing commercial equality of all nations in Morocco. The General Act of Algéciras is unlimited in duration and does not provide for denunciation.

The import tariff in Morocco is bound by several treaties at a total rate of 12½% ad valorem.

During the last years certain interested quarters in Morocco have repeatedly expressed the desire of a change in the commercial policy of the French Morocco with a view of partly increasing the import tariff—for financial or protectionist reasons—partly establishing an import quota system which would enable the French Morocco like other countries to pursue a policy of reciprocity.

From reports which the Danish Foreign Office has received from the Danish Consulate in Casablanca and the Danish Legation in Paris it seems to appear that the French Government has entered into negotiations in this respect with all the countries that are Parties to the Algéciras Act.

The Danish Legation would be grateful for any information it might be possible to give it on such negotiations between the American and the French Governments, particularly with respect to possible French proposals and the attitude of the American Government to such proposals.

WASHINGTON, April 30, 1935.

681.003/180

The Secretary of State to the Ambassador in the United Kingdom (Bingham)

No. 809 WASHINGTON, May 1, 1935.

SIR: Your despatch No. 1359 of April 11, 1935, regarding modification of the customs régime in the French zone of Morocco has been received. It is observed that the British Foreign Office would be grateful for any information bearing upon this subject.

In reply, you are advised that this Government has received no official information to the effect that the French have decided to abandon their efforts to bring about a modification of the customs régime. This Government's formal protest against the proposed sys-

[66] Signed at Berlin, *British and Foreign State Papers*, vol. CIV, p. 948. This agreement completed an earlier one of February 9, 1909, *ibid.*, vol. CII, p. 435.

tem was lodged with the French Foreign Office by the American Embassy on April 6, 1935. As yet no reply has been received from the French Ministry. Reports received by the Department from Morocco indicate that the French are meeting with considerable opposition in the furtherance of their plan. One statement attributed to the French representative who seems to have general charge of the program was to the effect that sufficient difficulties had been encountered in the negotiations with foreign powers without having to struggle against local opposition.

You are requested to continue to keep the Department informed of any developments regarding this matter which the Embassy may receive from the British.

Very truly yours, For the Secretary of State:
WILLIAM PHILLIPS

681.003/182

The French Ministry for Foreign Affairs to the American Embassy in France [67]

[Translation]

PARIS, May 6, 1935.

The Embassy of the United States apprised the Ministry for Foreign Affairs, by note of April 6,[68] that the unofficial exchanges of views which have taken place since January 14 between the representatives of the Embassy and the French officials, concerning the methods of application of the economic reform envisaged in Morocco, have permitted the Federal Government to examine exhaustively the project of the French Government. Following this examination the American Government felt called upon to protest against the principle of the reform, taking as a basis the following considerations:

The quota system envisaged would be discriminatory and for this reason would strike at the principle of economic equality in Morocco as guaranteed by the Act of Algeciras. Contrary to the principles of the open door, it would, moreover, be particularly inopportune at a moment when efforts should be made to remove obstacles to commerce.

The project of customs reform would be a further blow to the policy of the open door, to which the American Government adheres. The project should not, in its estimation, be put into effect without the consent of all Powers signatory to the Act of Algeciras.

The arguments invoked by the Federal Government to justify its viewpoint have been the object of careful study on the part of the

[67] Transmitted to the Department by the Ambassador in his despatch No. 1858, May 10; received May 17.

[68] See telegram No. 92, March 16, 3 p.m., to the Ambassador in France, p. 973.

French Government which feels itself constrained to submit, in opposition, the following observations:

The contemplated quota system affects in no way the principle of commercial equality since it would be applied indiscriminately to all merchandise coming from foreign countries, including France, and since the quotas would be allocated in accordance with basic years which would be the same for all countries, including France.

Far from striking at the policy of the open door, the quota system, as envisaged by the Government of the Protectorate, is expressly designed to avoid that, in practice, Morocco should shortly be closed to all foreign importations except those coming from countries which resort to a policy of "dumping". It would be paradoxical if, following the letter rather than the spirit of the Act of Algeciras, countries which have a normal commercial policy should come to deprive themselves of a market which, by definition, ought to be open to all. Is it necessary to recall, in this connection, that the reform envisaged would result in consolidating 52% of the American trade with Morocco and in placing the United States in a position substantially equal to that of England and the Protective Power?

To answer all the observations of the Government of the United States on this subject, it must be added that the establishment of a quota system in Morocco constitutes an essentially provisional measure which might be discarded when the imperative reason which motivates it shall have disappeared.

So far as the customs reform is concerned, the French Government desires to state that it cannot admit either in principle or in fact the thesis of the Federal Government according to which the tariff régime in Morocco might not be modified without the consent of the Powers signatory to the Act of Algeciras.

Legally, the Shereefian Government is bound, in so far as modifications to the customs tariff are concerned, only by the tariff clauses existing in treaties concluded by it with foreign Powers. The treaties in force with Great Britain and Spain are the only ones containing clauses of this sort. In this regard, therefore, the United States can only claim most-favored-nation treatment which the Government of the Protectorate has always extended to it.

In fact, the tariff augmentation envisaged being indispensable to the maintenance of the commercial equilibrium of the Protectorate, it is just and equitable that the Powers which, like the United States, have greatly benefited from the development of the purchasing power of the Moroccan market and from the reforms introduced in the French Zone by the Protective Power, should not block measures which are designed to furnish the Moroccan budget with the revenues necessary to the maintenance and the development of a plant without which foreign commerce could not expand.

The Ministry for Foreign Affairs has already made known to the Embassy of the United States, by note of January 14,[69] the reasons why the French Government was unable to accept the interpretation given to Article 123 of the Act of Algeciras by the American Diplomatic Agent at Tangier. It seizes the present opportunity to recall that, no more than did the Madrid Convention of 1880,[70] has the aforementioned Article 123 made permanent, without time limitation, the rights held by the United States under the treaty of September 16, 1836. The said treaty, concluded for a duration of fifty years, is now subject to denunciation, upon twelve months' advance notice. The French Government can avail itself of this right at any moment.

Such being the situation, from the legal and factual point of view, the French Government, which has just given new proofs of its desire to cooperate, in ratifying the double tax convention,[71] which binds the two countries, and in instituting at St. Pierre-et-Miquelon the system of liquor control [72] requested by the Federal Government, hopes that the latter will be so good as to consider, from a practical rather than a juridical standpoint, a reform which circumstances urgently demand shall not be further put off, both in the interest of Morocco and of the countries which trade with the Protectorate.

681.003/184

The Department of State to the Danish Legation

AIDE-MÉMOIRE

The Danish Legation is advised that the French Government has made certain proposals to this Government, through the latter's representatives in Paris and in Morocco, regarding a modification of the customs regime in Morocco. Subsequent to a very careful study of the proposals in question, this Government, through the American Embassy at Paris, on April 6, 1935, in a communication,[73] advised the French Ministry for Foreign Affairs that it could not usefully negotiate on the proposals and formally protested against the institution of the proposed modifications of the customs regime. As yet no reply has been received to this note.

The first official information concerning the French proposals received by this Government was the report of an interview reputed

[69] A search of Department and post records has failed to reveal a French note of January 14 or other date dealing with an interpretation of article 123 of the Act of Algeciras. The note of January 14, 1935, enclosed with despatch No. 1529, January 16, p. 958, is concerned solely with a French proposal for economic changes in Morocco.

[70] Convention as to Protection Between Morocco and Other Powers, signed July 3, 1880, Malloy, *Treaties*, 1776–1909, vol. I, p. 1220.

[71] See vol. II, pp. 247 ff.

[72] See note of March 15 from the French Embassy, and telegram No. 344, April 17, noon, from the Ambassador in France, pp. 412 and 414.

[73] See telegram No. 92, March 16, 3 p.m., to the Ambassador in France, p. 973.

to have been given out at Paris in November, 1933, by M. Ponsot, following his appointment as Resident General of the French Protectorate of Morocco. M. Ponsot was quoted as stating that with the task of pacification of the Moroccan tribesmen reduced to a question of secondary importance, the economic and financial problems of the Protectorate Government were now foremost. The customs regime, he declared, born of the Conference of Algeciras and of the anterior treaties, does not respond to the actual conditions of the country, and the system is unjust and superannuated. Morocco, M. Ponsot added, does not protest against the principle of equal opportunity for all its suppliers, but this condition cannot be maintained without the admission of the principle of reciprocity which would permit the country to balance its trade.

The above thesis was further elucidated in a note, a copy of which was furnished the American Diplomatic Agent at Tangier, in September, 1934,[74] addressed to the French Ambassador in Washington by M. Ponsot. In this note it was announced that the French proposed to establish in Morocco a new customs regime involving tariff modifications and quotas, as well as a system envisaging a balancing of trade between Morocco and the several countries trading with that country. The propitious moment for the introduction of the new regime, it was stated, appears to be January 1, 1935, the date upon which would expire the period of thirty years for which the Franco-British declaration of April 8, 1904, had contemplated the maintenance of the "principle of commercial liberty" both in Morocco and in Egypt. Reference was also made in the note to the desire of the French to eliminate the danger of Japanese competition in Morocco, the British being quoted as having requested safeguards in connection with their cotton goods trade in Morocco.

Subsequently, M. Ponsot requested an informal interview with the American Diplomatic Agent in Morocco, and this meeting took place at Rabat on November 17, 1934.[75] In this conference and in a previous conference with M. Coursier, representing M. Ponsot, the American Diplomatic Agent was furnished additional information regarding the French proposals. In these conversations the American Diplomatic Agent, acting upon instructions of this Department,[76] advised the French representatives that it appeared that the French were asking this Government to give up the principle of the "Open Door" in favor of a system of contingents, and furthermore were seeking to effect a close bilateral balancing of trade between Morocco

[74] Enclosure 4 with despatch No. 975, October 5, 1934, from the Diplomatic Agent and Consul General at Tangier; not printed.

[75] See despatch No. 993, November 23, 1934, from the Diplomatic Agent and Consul General at Tangier, *Foreign Relations*, 1934, vol. II, p. 863.

[76] See telegram No. 9, November 6, 1934, 6 p.m., to the Diplomatic Agent and Consul General at Tangier, *ibid.*, p. 853.

and the United States. Both of these principles, M. Ponsot was informed, are directly contrary to the commercial program of the American Secretary of State. It was suggested to M. Ponsot that in the event some modification of the present regime in Morocco should become necessary, a reasonable increase in the customs rates for revenue purposes might be effected, provided the rates were uniform, void of discrimination, and agreed to by the Powers signatory to the Act of Algeciras.

In December, 1934, this Government instructed the American Embassy at Paris [77] to point out informally to the French Ministry for Foreign Affairs that in the judgment of this Government quota systems are inherently discriminatory, and that the establishment of such a system in Morocco would not only strike at the heart of the principle of commercial equality as guaranteed in the treaties and conventions regarding Morocco, but it would constitute the establishment of new trade barriers against nations at the very moment when the nations are seeking to formulate policies which are calculated to remove excessive restrictions with the view of encouraging the fullest volume of mutually profitable trade. The attention of the French Ministry was also directed to the guarantees of the principle of "commercial equality" asserted by the French Government in various declarations, treaties and conventions which constitute the basis of the French control and administration of Morocco. The French were advised further of this Government's strong attachment to the maintenance of the principle of the "Open Door" in Morocco and elsewhere.

The French proposals, submitted subsequently to this Government, envisaged: (1) a quota system applied equally to all countries on the basis of their trade during certain years; (2) new tariff rates in lieu of the maximum 12½ percent rate which has been in vogue since the Conference of Algeciras in 1906; (3) a Committee of Last Resort for the hearing of customs disputes; (4) equalization of so-called port taxes; (5) the new system to be applied to the whole of Morocco, including the Spanish Zone and the International Zone of Tangier.

In the meantime this Government learned that notes sanctioning the new system in the French and in the Tangier Zones were exchanged between Great Britain and France in January, 1935, with the proviso that the agreement relating to the French Zone would not become effective except simultaneously with those relating to the Tangier and Spanish Zones, and further that the agreement relating to the Tangier Zone must be approved by the Tangier Legislative Assembly and the Tangier Committee of Control, under the Statute of 1923. This Government has also received confidential information to the

[77] See instruction No. 669, December 18, 1934, to the Ambassador in France, *Foreign Relations*, 1934, vol. II, p. 876.

effect that the Italian Government agreed to the French proposals, subject to certain reservations, and that the Netherland Government would in principle oppose the French program. Although the French representatives indicated in the early stages of the negotiations that they would likely institute the new customs regime on January 1, 1935, no change has taken place as yet. Recent information received from the American representatives in Morocco indicate that there is considerable opposition to the French proposals in Morocco.

This Government's formal protest against the French proposals referred to in the first paragraph of this *Aide-Mémoire*, was along the following lines:[78]

"(1) This Government strongly believes that it is obligatory that the parties to the Act of Algeciras should not only be consulted but that each Power should acquiesce before any changes are made in the customs regime in Morocco.

"(2) The system proposed by the French, involving quotas, would prove to be discriminatory, and, therefore, definitely out of harmony with the principle of commercial equality as guaranteed in the Act of Algeciras and by the French in various treaties and declarations which constitute the foundation of the French Administration of Morocco.

"(3) The establishment of such a system would be particularly unfortunate at this time when efforts are being made to increase world trade by the removal of trade barriers.

"(4) From the point of view of this Government the essence of the Moroccan question is the maintenance of the 'Open Door' which would preclude our assenting to any proposals inconsistent therewith."

WASHINGTON, May 7, 1935.

681.003/185

The Ambassador in France (Straus) to the Secretary of State

No. 1885 PARIS, May 21, 1935.
[Received May 28.]

SIR: Referring to my despatch No. 1767 of April 8, 1935, I have the honor to report that a few days ago Mr. Caravale, Commercial Counselor of the Italian Embassy in Paris, called at this Embassy in order to inquire concerning the attitude of the Government of the United States relative to the proposed economic reforms in Morocco. It may be of interest that Mr. Caravale, when questioned in turn

[78] This same information "was given orally in confidence" to the Netherlands Minister (April 15); to the Spanish Ambassador (April 16); to the Swedish Minister (April 17). (681.003/189)

regarding his own Government's attitude in the matter, stated that up to the time of the visit of the representative of the French Protectorate to Rome his Government had been opposed to the projected changes. However, at that time Italy was induced to accept in principle the economic plan. The Italian Government nevertheless made the distinct reservation that it be permitted to examine the project from the point of view of how it would work out in practice. In other words, final acceptance by Italy seems to be dependent upon the determination of the manner in which Italian trade will be affected by the contemplated quotas and other newly introduced factors.

Respectfully yours, JESSE ISIDOR STRAUS

681.003/187

The Chargé in Belgium (Sussdorff) to the Secretary of State

No. 473 BRUSSELS, May 23, 1935.
[Received June 5.]

SIR: I have the honor to refer to the Department's instructions Nos. 190 of August 9, 1934 [79] and 173 of February 12, 1935,[80] and to the Embassy's despatches No. 246 of September 4, 1934,[81] and No. 393 of February 28, 1935,[82] regarding a proposed modification of the customs régime now in effect in the French Protectorate of Morocco.

In this connection, I have the honor to report that, in reply to an inquiry, Mr. Le Tellier, Chief of the Political Section of the Belgian Foreign Office informed me today that the French Government has not made any representations to the Belgian Government for a long time on the subject of the proposed modifications. Mr. Le Tellier believes that such strong opposition developed on various sides to the French proposals that the French Government feels that it would be useless to push the matter at the present time. Mr. Le Tellier repeated that the Belgian Government is strenuously opposed to the modifications proposed by the French Government, as are a number of other countries. He said that the opposition of the foreign countries to the French proposal was strengthened by the fact that opposition also developed in Morocco on the part of a number of important

[79] See instruction No. 505, August 3, 1934, to the Ambassador in Great Britain, *Foreign Relations*, 1934, vol. II, p. 844.

[80] Transmitting memorandum of January 24, 1935, by the Chief of the Division of Western European Affairs, p. 961.

[81] *Foreign Relations*, 1934, vol. II, p. 849.

[82] Not printed; it reported "the Belgian Government still opposed in principle to the proposed changes, which would involve the establishment of a number of quotas in Morocco." (681.003/163)

commercial interests. He believes that the sum total of the opposition will be that the French Government will allow the matter to rest for some time to come.

Respectfully yours, LOUIS SUSSDORFF, JR.

681.003/191

The Ambassador in the United Kingdom (Bingham) to the Secretary of State

No. 1504 LONDON, June 13, 1935.
[Received June 24.]

SIR: With reference to the Department's instruction No. 809 of May 1, 1935, regarding modification of the customs régime in the French zone of Morocco, I have the honor to state that the substance of that instruction was conveyed orally to the Foreign Office.

In a recent conversation the Foreign Office said that all reports continue to indicate that the French Government has apparently abandoned its efforts to bring about a modification of the customs régime. The French High Commissioner in a private conversation had described the economic situation as very serious, and remarked that "Morocco may have to default".

The Foreign Office said that from a commercial standpoint, its principal concern was of course Japanese competition, which had practically eliminated British cotton goods from that market. This trade had dropped to one-fifth during the past year. For that reason the Foreign Office regretted that it looked as though the proposed Anglo-French arrangement, with satisfactory protection to Great Britain in the form of quotas, would probably not come into effect. The Foreign Office was also a little afraid that the French Government, having failed in its present negotiations toward the limited modification of the customs régime, might go the whole way and denounce or ignore, as out of date, all of the Moroccan treaties including the British treaty of 1856. Since certain provisions of that treaty were specifically waived in the Anglo-French arrangement, the Foreign Office felt that by implication this gave the treaty a fresh and much needed recognition.

The Foreign Office said that it would be very much interested to learn anything further which the Embassy might ascertain from Washington and particularly whether the United States Government objected to the French proposal purely on principle or because the French had not given an adequate commercial *quid pro quo.*

Respectfully yours, For the Ambassador:
RAY ATHERTON
Counselor of Embassy

681.003/192

The Ambassador in France (Straus) to the Secretary of State

No. 1964 PARIS, June 21, 1935.
[Received June 28.]

SIR: I have the honor to acknowledge the receipt of the Department's instruction No. 908 of June 12, 1935,[83] asking the Embassy's views concerning whether it is desirable to make a formal reply to the Ministry for Foreign Affairs' note of May 6, 1935, in further regard to the proposed economic reforms in Morocco.

Unless the Department were disposed to give consideration to some modified and limited version of the plans for economic reform in a spirit of what the Ministry for Foreign Affairs in the last paragraph of its note terms "from a practical rather than a juridical standpoint", I am inclined to agree that no useful purpose will be served in replying to the French note at the present time. In fact, shortly after the delivery of the note, an official of the Foreign Office in an altogether personal and informal manner suggested that the matter be permitted temporarily to rest. Moreover, since the drafting of the French note the situation has undergone considerable change. As the American diplomatic and consular missions in Morocco have reported, serious opposition to the economic project has developed in Morocco, and France has made little progress in winning over to its views the powers signatory to the Act of Algeciras. In consequence, it would seem advisable before responding to the French communication to await action by other interested Governments which, either through their opposition to the plan or through dilatory tactics, might possibly relieve the United States from bearing the brunt of opposition to the project. Certainly there would seem to be no reason to reply until some anxiety in the matter is shown by the French authorities.

Respectfully yours, JESSE ISIDOR STRAUS

681.003/194

The Ambassador in France (Straus) to the Secretary of State

No. 2000 PARIS, July 8, 1935.
[Received July 16.]

SIR: With reference to my despatch No. 1964 of June 21, 1935, I have the honor to report that while the French Government has not for a considerable time approached the Embassy with regard to acceptance of the French project for economic reforms in Morocco, the British,

[83] Not printed.

who are evidently the only third party to feel a keen interest in the matter, have informally so approached this Chancery.

On June 27 Sir Robert Cahill, Commercial Counselor of the British Embassy, called at the American Embassy, accompanied by Mr. E. Raymond Streat and Mr. W. E. Clucas of the Manchester Chamber of Commerce. They expressed much disappointment that the United States has opposed the economic reforms in Morocco. It is obvious that their interest in the institution of the reforms in question is in large measure based upon the desire to secure quota protection for British textiles against Japanese competition in that field. They argued at length in behalf of the adoption by the Government of the United States of a more liberal viewpoint concerning the economic project, repeatedly emphasizing the menace of Japanese competition in Morocco. They expressed the opinion that in such countries the white nations must cooperate and take special measures to protect themselves against competition from the Oriental races which with their low standards of living are enabled to undersell and ruin long established business. They believe that if the United States has not yet felt the pinch of Japanese salesmanship, it will soon do so, in support of which statement they cited the progress made by the Japanese in manufacturing cheap automobiles and the manner in which that nation's goods had threatened European trade throughout West Africa.

The Embassy replied that the American Government is inalterably opposed to the adoption of any measures in Morocco in conflict with the "open door" and that in the present instance it is as well opposed to the inauguration of the iniquitous quota system and to an economic program which is a retrograde step from the program now enunciated by the Government of the United States directed towards the breaking down of trade barriers. While the British representatives appreciated what they termed the "high-mindedness" of this position, they believed that if certain angles of the situation in Morocco were taken into consideration the American Government might be inclined to view the French proposal from a realistic point of view rather than the present idealistic and legal basis. They said that with the Embassy's permission they would put their arguments into writing and that they would urge their Government to cause the British diplomatic authorities in the United States informally to discuss the whole matter with the Department of State in order to determine whether there is not some compromise formula which would be acceptable to the American Government.

Respectfully yours,

For the Ambassador:
THEODORE MARRINER
Counselor of Embassy

681.003/191

The Secretary of State to the Ambassador in the United Kingdom (Bingham)

No. 898 WASHINGTON, July 12, 1935.

SIR: Your despatch No. 1504 of June 13, 1935, regarding the modification of the customs regime in the French Zone of Morocco, has been received. The statement attributed to the British Foreign Office to the effect that it would be very much interested to learn anything further which the Embassy might ascertain from Washington and particularly whether the United States Government objected to the French proposal purely on principle or because the French had not given an adequate commercial *quid pro quo*, has been noted.

In reply to this inquiry it is suggested that you inform the Foreign Office orally and in confidence of the contents of the attached copy of an outline of the note which was presented to the French Ministry for Foreign Affairs on April 6, 1935.[84] It is suggested also that you refer to the copy of the Department's instruction to Paris, No. 669, of December 18, 1934,[85] which was enclosed with the Department's instruction to the Embassy, No. 647, of December 20, 1934,[86] and repeat orally to the British the substance of the instruction to Paris through the paragraph ending at the top of page 4.

You are requested to state orally to the Foreign Office that this Government is surprised to note that the British have apprehension that the French Government, having failed in its present negotiations toward the limited modification of the customs regime, might go the whole way and denounce or ignore, as out of date, all of the Moroccan treaties, including the British treaty of 1856. This Government hesitates to believe that France, who has often asserted its strong belief in the sanctity of treaties, in order to obtain a modification of the customs regime in the Protectorate of Morocco, would disregard or ignore the treaty rights of other nations in Morocco. Such procedure would be strangely out of harmony with the current expressions made recently in the high government circles of certain major powers, including France.

You may state also orally that this Government is of the opinion that the retention of full treaty rights in Morocco involving the principle of commercial equality for all, transcends in importance any temporary advantages which may accrue to any power or powers in the trade in a particular commodity or commodities. France entered Morocco and has developed her administration of the Protectorate as

[84] See telegram No. 92, March 16, 3 p.m., to the Ambassador in France, p. 973, and despatch No. 1767, April 8, from the Ambassador, p. 978.

[85] *Foreign Relations*, 1934, vol. II, p. 876.

[86] Not printed.

the result of solemn agreements with certain other Powers, who also had rights in Morocco. The International Conference of Algeciras of 1906 was called for the purpose of defining the position of the Powers in Morocco. The Act of Algeciras provided that "economic liberty without any inequality" should be maintained in Morocco. That Agreement, in the judgment of this Government, is binding until the signatory Powers agree in concert with France to cancel it.

Very truly yours, For the Secretary of State:
WILLIAM PHILLIPS

681.003/195 : Telegram

The Ambassador in France (Straus) to the Secretary of State

PARIS, July 17, 1935—2 p.m.
[Received 4:01 p. m.]

599. Reference Department's instruction No. 908 of June 12,[87] and my despatches numbers 1964 and 2000 of June 21 and July 8, 1935. A note dated July 15, 1935,[87] has been received from Ministry for Foreign Affairs referring to its note of May 6 concerning the proposed economic reforms in Morocco which it points out would neither extinguish the principle of economic equality nor that of the open door. It asks if the American Government, considering the reform from a practical rather than juridical angle, is now disposed to accept it in principle.

In view of this second note it would seem difficult longer to defer a response. In view of the circumstance that no treaty power has apparently yet definitely rejected the proposed reform and in view of the pending commercial treaty negotiations the Department might perhaps wish to reply in as cordial a spirit as possible to the effect that while we still feel unable to accept the present project we shall not decline to give appropriate consideration to such alternative proposal as may be made in keeping with full economic equality.

STRAUS

681.003/195 : Telegram

The Acting Secretary of State to the Ambassador in France (Straus)

WASHINGTON, July 20, 1935—2 p.m.

290. Your 599, July 17, 2 p.m. You may orally inform the Minister for Foreign Affairs that this Government will be pleased to give appropriate consideration to the Ministry's note of July 15, 1935, upon its receipt, and to any alternative proposals which may be in keeping with full commercial equality in Morocco.

[87] Not printed.

You may also state that a careful study of the French note of May 6, 1935, has not caused this Government to change its opinion that the plan proposed by the French, involving a system of quotas, would be contrary to the principle of commercial equality and out of harmony with the program which this Government is promoting with the view of restoring world trade by the removal of trade barriers. Our position is not based solely on juridical grounds, but also on the practical viewpoint of the importance of maintaining the equality of opportunity for commercial interchange, with freedom from trade restrictions.

In reply to the suggestion in paragraph 3 of your telegram, that no treaty power has apparently yet definitely rejected the proposed reform, it is this Government's understanding that the Netherland Government is definitely opposed, Belgium has indicated opposition, Spain has not accepted and Italy has made definite reservations.

PHILLIPS

681.003/201

The Chargé in the United Kingdom (Atherton) to the Secretary of State

No. 1624 LONDON, August 7, 1935.
[Received August 19.]

SIR: I have the honor to report that in compliance with the Department's instruction No. 898 of July 12, 1935, regarding the modification of the customs régime in the French Zone of Morocco, the Embassy has informed the Foreign Office orally and in confidence of the substance of that instruction, the contents of an outline of the note of April 6th last, to the French Government, which it contained, and the substance of the portion of the Department's instruction to the Embassy at Paris, No. 669 of December 18, 1934,[88] described in the Department's instruction under reference.

The Foreign Office expressed its thanks for the information conveyed, and made the following observations. The treaties which it feared that France might be tempted to ignore, as out of date, were only those treaties which prevented France from raising the Moroccan customs tariffs. This applied quite definitely to the two British treaties of 1856 and the Spanish treaty of 1861. The Foreign Office felt that, while it was arguable that the Act of Algeciras could be construed as implying that France could not raise Moroccan tariffs without the consent of the Powers, it was mainly the old British and Spanish treaties which were in fact restraining France, and it was therefore these treaties which France was likely to challenge.

[88] *Foreign Relations*, 1934, vol. II, p. 876.

In this relation the Foreign Office said that the French and Spanish were now holding discussions on Morocco, but they did not know whether these discussions were confined to economic questions or included extraterritoriality as well. Since Great Britain's extraterritorial rights in Morocco also depend partly upon the 1856 treaties, the Foreign Office is doubly anxious that France should renew its recognition of those treaties. On the other hand, the question of extraterritoriality is precisely the same in both the French and Spanish Morocco, and France and Spain are at least in analogous positions as regards customs tariffs in their respective zones. Thus the Foreign Office could not expect that Spain would necessarily take a vigorous stand in maintaining its treaty of 1861. And since, therefore, in the last analysis the British treaties of 1856 afforded the only safe check on France, the Foreign Office regards it as important that France should not be placed in a position where, in order to increase Morocco's customs revenue and protect Moroccan industries, she might be tempted to challenge the older treaties. The Foreign Office fears that such a step is not unlikely unless some relief is forthcoming, and once such a step is taken tariffs would in all probability be greatly increased and capitulations attacked.

In the last paragraph on page 2 of the Department's above mentioned instruction to the Embassy at Paris, No. 669, December 18, 1934, the Department suggests that a possible solution would be a reasonable increase in customs duties, uniform, void of discrimination in their application and agreed to by all the Powers signatory to the Act of Algeciras. Commenting on this suggestion, the Foreign Office felt that this would be a greater concession to France than that contained in the above mentioned Anglo-French arrangement, since the latter only provides for an increase in duties on a few articles. The Foreign Office also asked whether the above mentioned possible solution was actually suggested to the French by our Embassy in Paris and, if so, in what terms and what did the French say in reply. The Embassy said it would refer the inquiry to the Department.

Respectfully yours, RAY ATHERTON

81.003/205

The British Embassy to the Department of State

AIDE-MÉMOIRE

His Majesty's Government in the United Kingdom, in concluding with the French Government on the 29th January last an exchange of notes regarding contemplated economic measures and reform in the French Zone of Morocco and the International Zone of Tangier, were, as the United States Government are no doubt aware, moved

primarily by the ruinous effects of Japanese competition upon Lancashire's exports to Morocco.

2. The United States Government are similarly aware of the assistance which has been afforded to the United States cotton industry by the quotas imposed in the British West Indies with a view to meeting Japanese competition. The value to the United States of the quota restrictions in the British West Indies on the importation of Japanese cotton piece goods can be seen from the fact that whereas in the basic period 1927 to 1931 the United States sent to Jamaica, the largest market, on an average 13 million yards annually and Japan sent practically none, the latter country so increased her trade that in 1933 she had sent 6.7 million yards as compared with 2 million from the United States and in the first six months of 1934 a total of nearly 6 million yards as compared with just over 700 thousand yards from the United States. The imposition of the quota resulted in a complete stoppage of imports from Japan during the remaining six months of 1934, while on the other hand, imports from the United States attained a monthly average of about 500 thousand yards, a very considerable improvement over the imports during the earlier six months. Further the quota limits Japan's imports for 1935 to 600 thousand yards while leaving open to the United States her former market of 13 million yards.

3. In view of these facts, measures intended to rehabilitate the position of the United Kingdom cotton industry in Morocco will, it is hoped, be examined with special sympathy by the United States Government.

4. His Majesty's Government have been much impressed not only by the continuous pressure exerted by French interests in the Zone with a view to the institution of preferences for French goods and for other measures which would have the ultimate effect of bringing the Zone virtually into the position of a French dependency, but also by the undoubted financial difficulties of the Zone, which has to depend almost wholly for its revenue upon import duties which are fixed at an extremely low level by comparison with those existing today in most countries. It appears to His Majesty's Government that the indefinite continuance of a state of affairs in which the French authorities are debarred from taking effective steps, on the one hand, to recoup the heavy expenditure which France has incurred in the pacification and development of Morocco and on the other to check the flooding of Morocco by imports of low-priced goods produced under oriental conditions of labour and standards of living, cannot but produce a growing discontent and agitation both in France and Morocco, which may ultimately drive the French authorities to take matters into their own hands and institute remedial measures based

solely on considerations of French interests, in defiance of what French public opinion has come to regard as obsolete treaty limitation.

5. In these circumstances His Majesty's Government are disposed to take the view that the interests of the other Powers in Morocco are in the long run best likely to be served, not by a policy of uncompromising opposition to any change, but by seeking, as and when necessary, agreed solutions such as will accord to France a reasonable measure of satisfaction without involving serious injury to the interests of the other Powers.

6. It was with these considerations in view that His Majesty's Government felt themselves able, for their part, to agree to the French proposal for a moderate all-round increase of the import duties and to various other provisions which, while going some way to meet the desires of the French administration, did not appear likely in practice to react prejudicially upon any substantial British interest.

7. The proposed increases of duty are entirely non-preferential—a matter in which His Majesty's Government have always taken up a determined standpoint—and are thus unlikely to harm United States interests in comparison with those of other countries, while opening up to the Moroccan Administration a much-needed source of revenue.

8. With regard to the principle of economic liberty embodied in the Act of Algeciras, an overrigid insistence on this must surely tend both to play into the hands of the Japanese, and to stimulate the already strong desire of the French interests to see the Act drastically modified.

9. The scheme provides for quotas based on the average imports from each country in the years 1928 to 1933 inclusive. The enclosed table [89] shows that the adoption of these basic years would, in the case of chassis and of tyres, allow to the United States a substantially higher proportion of the total imports into the Zone than that which she enjoyed in 1933, while involving substantially no change in her percentage as respects the other commodities of which particulars are given in the table.

10. Japanese competition may not so far have made itself seriously felt in those classes of Moroccan imports which principally interest the United States, but the extreme versatility of Japanese industrial enterprise and the rapid progress of which it has shown itself capable in new lines of manufacture, when once undertaken, are well known to the United States Government. Japan's exports of motor-cars to Eastern and Near-Eastern markets may have hitherto been largely of an experimental character (though her competition in parts and accessories is already making itself felt), but given the Japanese aptitude for acquiring new forms of industrial technique and the favour-

[89] Not printed.

able conditions which have been created by the success of Japanese textiles, rubber footwear, etc., for the launching of new exports lines in markets of low purchasing power, in a few years' time the competition of the Japanese motor-car and allied products in Morocco may well have to be seriously reckoned with.

11. It would be a source of great satisfaction to His Majesty's Government in the United Kingdom if the United States Government could see their way to review the whole matter in the light of the considerations summarised above.

WASHINGTON, September 18, 1935.

681.003/205

The Department of State to the British Embassy

AIDE-MÉMOIRE

1. With reference to the Embassy's *aide-mémoire* dated September 18, 1935, and left at the Department of State on September 23, relative to the proposed economic measures and reforms in the French Zone of Morocco, and the International Zone of Tangier, the Government of the United States wishes at the outset to voice its appreciation for the clear and logical expression of the British position set forth therein.

2. The Government of the United States is in substantial agreement with the opinion expressed in Paragraph 5 of the *Aide-Mémoire*, to-wit:

" . . . that the interests of the other Powers in Morocco are in the long run best likely to be served, not by a policy of uncompromising opposition to any change, but by seeking, as and when necessary, agreed solutions such as will accord to France a reasonable measure of satisfaction without involving serious injury to the interests of the other Powers."

It is likewise animated by a desire to find a practical solution of the commercial problems which have arisen in the past five years. It recognizes that the French Protectorate authorities depend largely on import duties for revenue and in this spirit it has already suggested that a higher tariff on goods entering Morocco would not be unacceptable to it.

(3) As to the institution of a system of quotas, the United States is most reluctant to acquiesce in the extension of a system which it feels is unsound economically as well as inherently discriminatory in purpose. The whole commercial policy of the Government of the United States as manifested by its trade agreements program and by the pronouncements of its leading statesmen, has been to set its face

against the extension of the quota system. If, therefore, any other solution to the Moroccan problem can be found, this Government would be unwilling to make a breach in its determined effort to counteract the evil effects of quotas.

(4) The Department of State is now undertaking a study of the problems suggested by the British Government's *aide-mémoire*, and it is hoped that the major questions of principle and policy in this respect may be determined within a few weeks.[90] The Government of the United States will then be in a position to open the question anew with the British authorities, and in the meantime it would be much appreciated if the British Government would reserve its final decision until an opportunity for further discussion of these problems has been afforded.

WASHINGTON, October 11, 1935.

NEGOTIATIONS CONCERNING CLAIMS AND PROPOSED RECOGNITION BY THE UNITED STATES OF THE SPANISH ZONE IN MOROCCO[91]

681.003/102 : Telegram

The Secretary of State to the Diplomatic Agent and Consul General at Tangier (Blake)

WASHINGTON, December 29, 1934—4 p.m.

16. For Blake. You are requested to visit Madrid immediately to participate in the discussions between Ambassador Bowers and the Spanish Foreign Office regarding (1) the situation of the United States in the Spanish Zone as reported in your 944 of June 1;[92] (2) the situation resulting from the breaking down of the *modus vivendi* in the Spanish Zone as reported in your 909 of January 26[92] and the question of settlement of outstanding American claims in exchange for recognition of the Spanish protectorate; (3) the Spanish attitude with respect to the French proposals for a modification of the customs regime and presentation of the viewpoint of this Government upon the subject as heretofore outlined in telegrams addressed to you.

Please report by cable date of your arrival in Madrid.

Transportation expenses and per diem to Madrid and return authorized subject Travel Regulations. Also authorized charge $6.00 per diem at Madrid. Submit estimate.

HULL

[90] The Department of State replied by *aide-mémoire* on April 27, 1936.

[91] For previous correspondence, see *Foreign Relations*, 1931, vol. II, pp. 750 ff.; *ibid.*, 1934, vol. II, pp. 836–883, *passim*.

[92] Not printed.

681.003/122 : Telegram

The Ambassador in Spain (Bowers) to the Secretary of State

MADRID, January 8, 1935—4 p.m.
[Received January 8—1:45 p.m.]

4. My telegram No. 3, January 7, 1 p.m.[93] Following submission of formal protests today as directed in the Department's 65, December 15, 2 p.m.,[94] No. 66, December 20, 8 p.m.,[95] and 68, December 29, 3 p.m.,[96] conference took place with all Moroccan experts of Foreign Office.

Subsecretary states no agreement yet come to with France concerning proposed new customs regime Morocco.[97]

Foreign Office ready to enter into full and friendly examination of 1928 claims[98] and recognition of Spanish Zone conferences will probably begin tomorrow.

BOWERS

681.003/137

The Ambassador in Spain (Bowers) to the Secretary of State

No. 638 MADRID, January 10, 1935.
[Received January 25.]

SIR: With reference to my despatch No. 637 of January 8th,[99] I have the honor to report that Mr. Blake and Mr. Johnson[1] had a long conference with Sr. Castaño[2] this morning. Sr. Castaño opened the discussion with the statement that he was less optimistic regarding the outcome of our informal conferences because of the point of view taken by various officials of the Moroccan Bureau and of the High Commissariat in the Spanish Zone. He said that these officials—and he is now apparently in agreement with them—take the stand that the opinions expressed in the Note from the Foreign Office to this Embassy of January 22, 1930, which was enclosed in the despatch to the Department No. 49 of February 27, 1930,[3] represent the Spanish position today. He added that no real reply had ever been received to this Note and he did not consider either Embassy's *Aide Mémoire* of January 20, 1931, enclosed in despatch No. 268 of January 21,

[93] Not printed.
[94] *Foreign Relations*, 1934, vol. II, p. 874.
[95] *Ibid.*, p. 880.
[96] *Ibid.*, p. 883.
[97] For correspondence relating to French proposals for a new customs regime, see pp. 951 ff.
[98] See *Foreign Relations*, 1928, vol. III, pp. 344 ff.
[99] Not printed; see telegram No. 4, January 8, 4 p. m., from the Ambassador in Spain, *supra*.
[1] Hallett Johnson, Counselor of Embassy in Spain.
[2] J. del Castaño, Chief of the Overseas Division, Spanish Foreign Office.
[3] *Foreign Relations*, 1930, vol III, p. 607.

1931,[4] nor any conversations which have lately taken place in Washington, a sufficient reply. This Note, it will be remembered, attempts to link the question of the abolition of the capitulations to the settlement of the claims discussed in 1928. It takes the point of view, moreover, that the Kettani claim is of a judicial nature and must, therefore, be submitted to the Spanish courts in Morocco. Sr. Castaño added that the report made in 1928[5] by Mr. Blake and Sr. Pla—and later approved by Sr. Jordana—had never been approved by the Spanish Government and does not consist in anything amounting to an agreement.

Mr. Blake pointed out that the claims reported on in 1928 formed a question by themselves, and that there was no logical reason at a later date to inject the question of the capitulations into an agreement regarding the justice of certain claims. Sr. Castaño replied that the Spanish Government was extremely reluctant to discuss any claims without the uniting of their settlement with the question of the capitulations. He said that at the time of the arbitration of the British claims the British had given them to understand that the question of the capitulations would be taken up on the settlement of the claims, but that this has not been done. A settlement of the Dutch claims was coupled with the abolition of the capitulations. He added that the question of the capitulations was a painful and even shameful one for Spain. The administration of justice in the Spanish Zone is part of the administration of justice in Spain and should be given full faith and credence. It might have been expected that at least when the Spanish Zone was completely pacified, the Powers having capitulatory rights would have voluntarily relinquished them. Moreover, Spain is only in Morocco because it has to be there; otherwise, the French would take it over. Spain has spent millions on Morocco and has received nothing from it. Other nations should be grateful to her for tranquillizing the Spanish Zone and making it possible to do business there. In conclusion, he inferred that it was a disgrace to Spain that capitulatory rights still existed in the Zone.

As a practical matter, Sr. Castaño said that we might further discuss the 1928 claims, although he is not a technical expert, with a view to coming to an agreement which could be submitted to the Spanish High Commissioner in Morocco and other authorities. In that case the question could still be submitted to the Council of Ministers as to whether the agreement could be executed without reference to the capitulations. He was very doubtful, however, as to whether the Government would consent to such a course.

[4] *Foreign Relations*, 1931, vol. II, p. 750.
[5] *Ibid.*, 1928, vol. III, p. 353.

Mr. Blake asked whether it would not be advantageous to have basic negotiations transferred to Tetuan and to authorize the Spanish High Commissioner to confer with him, and Sr. Castaño said that this was possible but that he would have to consult the High Commissioner and other authorities on this point.

One of the principal difficulties of obtaining any settlement is the divided authority which exists. The Foreign Office, the Moroccan Bureau, the High Commissariat and other Spanish authorities, all have to be consulted and none seem to have the power to come to a decision. Sr. Castaño was reluctant to see us today because he wished first to talk over matters with the High Commissioner, Sr. Rico Avello, who has just arrived in Madrid.

Mr. Blake and Mr. Johnson pointed out that the United States was far from desiring to play an obstructive policy in the Spanish Zone, that it had no possible political interests there, that it was ready to cooperate in every way with the Spanish authorities, but that it was obliged, in the circumstance to maintain its treaty rights until possible revision by common accord. It was for this reason that importance was placed upon recognition of the Spanish Protectorate as the logical initial step. Moreover, the United States Government was sure to feel that the question of the settlement of old and just claims should not be linked with new propositions. Once the claims were adjusted and recognition given to the Zone, the Legation in Tangier would be glad sympathetically to discuss any other matters whatever.

Respectfully yours, CLAUDE G. BOWERS

681.003/131 : Telegram

The Ambassador in Spain (Bowers) to the Secretary of State

MADRID, January 14, 1935—3 p.m.
[Received January 14—2:35 p.m.]

6. After several conferences with the Spanish Foreign Office there would seem to be a possibility of reaching a compromise agreement on the following formula suggested by Blake.

(1) The American claims in the Spanish Zone which have been approved as incontestable by the Spanish Government will be settled.

(2) The Kettani claims will be reserved for adjustment by Rico Avello and Blake.

(3) Political recognition of the Spanish Zone will be effected and normal relations set up between the Spanish Residence General at Tetuan and the American Legation at Tangier.

(4) All legislation and taxation introduced by the Spanish administration in the Spanish Zone and which the Spanish High Commissioner desires to have applied to American *ressortissants* will be sub-

mitted through the American Legation at Tangier for the consideration of the Department of State.

(5) On the completion of the above program any other matters including the question of the capitulations will be taken up for consideration and new treaties that may be necessary to define the revised position of the American Government in the Spanish Zone will be made a subject of discussion between the two Governments.

Paragraphs (4) and (5) have not yet been introduced into the conversations and will only be made use of according to the exigencies of succeeding conversations.

Blake feels we are fully protected by this formula. Please cable instructions.

Spanish Foreign Office state that they will require 10 days to 2 weeks to consider this matter consequently Blake and Dempster leaving for Tangier tomorrow. If agreement is reached on above line of action conversations will be pursued between Blake and Spanish High Commissioner in Tetuan.

BOWERS

681.003/131 : Telegram

The Secretary of State to the Ambassador in Spain (Bowers)

WASHINGTON, January 16, 1935—6 p.m.

4. Your 6, January 14, 3 p.m. We assume that the formula suggested by Blake takes care of the special taxes on imported goods as outlined in Blake's 943, May 31,[6] and in your 559, November 13[7] and alluded to in first paragraph of Department's 65, December 15.[8]

With respect to paragraph 5, your 6, January 14, Department in its recent instructions has made no reference to question of surrender of capitulations, and it should be clearly understood that this question does not enter into the present discussions. For your information Great Britain and the United States are in accord regarding the surrender of extraterritorial rights. Neither are any new accords relating to Morocco contemplated by this Government at this time other than the formal recognition of the Spanish Protectorate in the event a satisfactory agreement can be reached with the Spanish Government.

Please endeavor to ascertain informally whether the Spanish have entered into any agreement with the French or with the British regarding modification of the customs regime in Morocco and obtain if possible, a clear definition of their attitude and intentions advising Department by cable of any developments.

HULL

[6] *Foreign Relations*, 1934, vol. II, p. 839.
[7] *Ibid.*, p. 857.
[8] *Ibid.*, p. 874.

681.003/132 : Telegram

The Ambassador in Spain (Bowers) to the Secretary of State

MADRID, January 17, 1935—3 p.m.
[Received January 17—1:05 p.m.]

8. Department's 4, January 16, 6 p.m. Is point (2) Blake's proposal regarding Kettani claim satisfactory? May we, without mentioning capitulations, concede, if necessary, that after settlement of claims and recognition any point raised by Spanish Government will, of course, have to be considered.

BOWERS

681.003/132 : Telegram

The Secretary of State to the Ambassador in Spain (Bowers)

WASHINGTON, January 19, 1935—2 p.m.

5. Your 8, January 17, 3 p.m. With respect to points (1) and (2) of Blake's formula including Kettani claim it has been necessary for Department to cable Blake for more specific information.[9]

With respect to your second inquiry, since it has been the established policy of this Government to consider as wholly separate the question of recognizing Protectorates in Morocco and the withdrawal of our extraterritorial privileges, the Department is of the opinion that American negotiators should refrain from making any statement to the Spanish which would in any way commit this Government legally or morally to a favorable consideration of the question of the surrender of capitulations.

Likewise, since the purpose of the present negotiations is to establish normal relations with the Spanish in the Spanish Zone through formal recognition in exchange for a satisfactory settlement of outstanding American claims, we should be exceedingly reluctant to attach any reservations, oral or otherwise, to the agreement regarding recognition and settlement of claims, such as conceding that other points, the nature of which are unknown to this Government, raised by the Spanish subsequent to the consummation of the agreement in question, will have to be considered.

HULL

[9] See telegram No. 1, January 19, 2 p.m., to the Diplomatic Agent and Consul General at Tangier, *infra*.

681.003/132 : Telegram

The Secretary of State to the Diplomatic Agent and Consul General at Tangier (Blake)

WASHINGTON, January 19, 1935—2 p.m.

1. Embassy Madrid has cabled on January 14 that there would seem to be a possibility of reaching a compromise agreement with Spanish on formula suggested by you and reported to Department by Embassy as points (1) (2) (3) (4) (5). If you do not have this obtain from Madrid.

Before reaching a final conclusion Department desires to know if (1) comprises all claims agreed upon in Joint Report as listed in your 311 of July 12, 1928,[10] and in addition thereto, claims resulting from application to American *ressortissants* of Dahirs in derogation of our treaty rights (such as consumption taxes) which have accumulated subsequent to the period covered in the Joint Report of 1928.

Under suggested formula (1) and (2) is Department correct in assumption that claims, including the Kettani claim, would be settled, that is, paid, prior to the recognition of the Spanish Zone? Department also desires clarification of your position regarding Kettani claim in view of assertion in your 433 of September 4, 1929,[11] to effect that this claim is "the most important and best founded of all American claims presented," with recommendation that it should be defended by the Department to the last without further compromise or concession.

With respect to (4) is Department correct in assuming that it is contemplated that the agreement of the Spanish to submit to the Department through the Legation legislation which it is desired to apply to American *ressortissants* carries with it the obligation on the part of the Spanish to withhold application of such legislation to American *ressortissants* unless this Government should give its assent?

With respect to (5) since it has been the established policy of this Government to consider as wholly separate the question of recognizing Protectorates in Morocco and the withdrawal of our extraterritorial privileges, Department is of the opinion that American negotiators should refrain from making any statement to the Spanish which would in any way commit this Government legally or morally to a favorable consideration of the question of the surrender of capitulations.

Likewise, since the purpose of the present negotiations is to establish normal relations with the Spanish in the Spanish Zone through formal recognition in exchange for a satisfactory settlement of out-

[10] *Foreign Relations*, 1928, vol. III, p. 353.
[11] Not printed.

standing American claims, we should be exceedingly reluctant to attach any reservations, oral or otherwise, to the agreement regarding recognition and settlement of claims, such as conceding that other points, the nature of which are unknown to this Government, raised by the Spanish subsequent to the consummation of the agreement in question, will have to be considered.

Please cable brief reply.

HULL

681.003/133 : Telegram

The Chargé in the United Kingdom (Atherton) to the Secretary of State

LONDON, January 21, 1935—6 p.m.
[Received January 21—3:35 p.m.]

27. Embassy's 13, January 12, 6 [5] p.m.[12] concerning Spanish proposal made in London that British extraterritorial rights in Spanish Zone of Morocco be relinquished.

Foreign Office now supplements its previous statement with the following information: The British Ambassador at Madrid reports that he was assured that the above Spanish proposal had no connection whatever with trade negotiations now being conducted in Madrid, and that some time ago the Spanish Government instructed the Spanish Embassy at London to take up the question of extraterritorial rights with the Foreign Office but the instruction had been overlooked by the Spanish Embassy until a few days ago.

The Foreign Office seemed entirely satisfied with the above explanation and no longer holds the opinion mentioned in the last paragraph of the telegram under reference.

The Foreign Office has merely acknowledged the Spanish Embassy's note containing the proposal.

ATHERTON

681.003/135 : Telegram

The Diplomatic Agent and Consul General at Tangier (Blake) to the Secretary of State

TANGIER, January 23, 1935—2 p.m.
[Received January 23—12:50 p.m.]

1. Your cable number 1, January 19, 2 p.m. Recent conversations with Spanish Foreign Office started from position reached in Spanish note of January 22, 1930[13] referred to in Department's number 75, August 6, 1930 to Madrid Embassy.[14]

[12] *Ante*, p. 954.
[13] *Foreign Relations*, 1930, vol. III, p. 608.
[14] *Ibid.*, p. 617.

This note agreed to execute Blake-Jordana agreement [15] but subjected payment of certain claims to relinquishment of capitulations and required Kittany claim to be deferred to decision of local Spanish courts before becoming subject to diplomatic discussion.

Political recognition of Spanish Zone and establishment of normal official contact with Spanish authorities would greatly facilitate straightening out entire position and application of my tentative formula while assuring this would not involve concessions on any essential principles or the surrender of equitable rights embodied in any claims.

My proposal is to accord recognition of Spanish Protectorate after payment of claims agreed to in Spanish note above referred to and subject to an agreement by Spanish Government to confide adjustment of Kittany claim to myself and Spanish High Commissioner.

Have my position Kittany claim unaltered. However, I saw in the Embassy files Madrid an *aide-mémoire* [16] left by Laughlin [17] with the Spanish Foreign Office agreeing to submit Kittany claim to a court whose competency American Government could legally admit. Since the Spanish insist upon their own courts this proposition leads to an impasse or in reality imposes an administrative or diplomatic adjustment of the claim. My object is to secure settlement of the claim in agreement with Spanish High Commissioner failing which agreement with him for its arbitration.

After recognition on above conditions discussion concerning assent to legislation and taxation in Spanish Zone would be pursued with Spanish High Commissioner under same procedure and safeguards as followed by this Legation with the French Protectorate and in all cases where American traders are found to have suffered material prejudice to their business by the levy on them of unauthorized taxation since the joint report, the refund thereof would be insisted upon, insistence would obviously be made upon elimination of discriminatory features of legislation and the position of the American Government fully reserved in connection with subsequent recurrence of illegal levies.

Fully appreciate importance Department's observations number (5) but am frankly unable to perceive in my proposal any compromise or commitments legal or moral prejudicial to our present treaty position or departing from policy we followed with the French Zone. Commercial guarantees we may legitimately exact in the Spanish Zone to substantiate our present treaties would probably make possi-

[15] May 13, 1929; see despatch No. 392, May 17, 1929, from the Diplomatic agent and Consul General at Tangier, *Foreign Relations*, 1929, vol. III, p. 493.

[16] *Aide-mémoire* of January 20, 1931; for text, see *ibid.*, 1931, vol. II, p. 751.

[17] Irwin B. Laughlin, Ambassador to Spain, 1929–33.

bility of any agreement regarding the surrender of the capitulations a very remote contingency and in no case would subject be given consideration before the same subject had been resolved with respect to the French Zone.

Numbers (4) and (5) are to be utilized only according to the exigencies of the negotiations.

BLAKE

681 003/135 : Telegram

The Secretary of State to the Ambassador in Spain (Bowers)

WASHINGTON, January 29, 1935—7 p.m.

7. Please note for your information the following instruction to Blake (which you are requested to transmit to Blake as Department's No. 2, Jan. 29, 7 p.m.) in reply to Blake's 1, January 23, 2 p.m., and to be considered in connection with your 6, January 14, 3 p.m., Department's 5, January 19, 2 p.m., to Madrid and Department's 1, January 19, 2 p.m., to Tangier.

It would appear from the Spanish note of January 22, 1930,[18] which you state was the starting point of your recent conversations, that the Spanish agreed to pay the total sum of 207,039.85 pesetas, (including the Rahamin Muyal claim of 10,000 pesetas,) with the reservation that a third class of eleven claims amounting to 62,993.55 pesetas, included in the above total sum, would be paid only upon condition of surrender of our extraterritorial privileges.

The Department believes that all the claims as stipulated above should be paid prior to recognition and without any reservation since it is desired that the question of the withdrawal of our extraterritorial privileges be considered as wholly separate from the question of claims and recognition of the Protectorate. You are quoted in a despatch[19] as stating that the British secured settlement of their claims without even reference to recognition.

Department approves your suggestion that effort be made to secure settlement of Kettani claim in agreement with Spanish High Commissioner but (for your strictly confidential information) would be reluctant to submit to arbitration because of the cost involved. In view of the importance and soundness of this claim as asserted by you the Department would prefer that agreement be reached to settle this claim prior to recognition of the Protectorate although matter is left to discretion of American negotiators.

[18] *Foreign Relations*, 1930, vol. III, p. 608.

[19] "Memorandum on American Claims and Violations of American Treaty Rights in the Spanish Zone of Morocco," enclosure with despatch No. 1007, December 27, 1934, from the Diplomatic Agent and Consul General at Tangier; not printed.

Your suggestions regarding (4) of your formula are approved.

With respect to (5) Department believes that consideration advanced in last two paragraphs of Department's 1, January 19, 2 p. m., still holds.

Department desires brief but concise statement indicating final formula and to be kept informed by cable of developments.

HULL

681.003/154

The Diplomatic Agent and Consul General at Tangier (Blake) to the Secretary of State

No. 1019 TANGIER, February 6, 1935.
[Received February 25.]

SIR: I have the honor to acknowledge the receipt, through Ambassador Bowers, of the comments contained in the Department's telegraphic instruction No. 7 of January 29, 1935, 7 p. m., concerning the five-point formula recently proposed by me as a possible basic procedure in connection with the recognition of the Spanish Zone, and I herewith respectfully submit the following observations, in reply thereto.

It would appear that there exist now only slight discrepancies between the Department's attitude and my five-point formula, and these, I believe may have resulted from insufficient amplification, on my part, of elucidations with regard to the application of the formula.

During the conversations in Madrid, we found that the Spanish Government, with some justification, considered the findings of the Plenipotentiaries who drew up the Joint Report in 1928,[20] and the adjustments thereto of General Jordana in 1929,[21] to be purely advisory, and consequently subject to further consideration and acceptance by the Madrid Government. We were therefore forced to adopt the Spanish Note of January 22, 1930,[22] as the basis of our renewed negotiations, and I was convinced that little headway could be expected on practical lines, unless we were disposed to fall in with this procedure.

Furthermore, it seemed apparent to me that the present attitude of the Spanish Government has become one of complete indifference to our recognition of the Spanish Zone. They appear to perceive no inconvenience to themselves in a continuation of the extremely unsatisfactory situation in which we find ourselves vis-à-vis their Moroccan Administration.

[20] *Foreign Relations*, 1928, vol. III, p. 353.
[21] See *ibid.*, 1929, vol. III, p. 493.
[22] *Ibid.*, 1930, vol. III, p. 608.

For many years, the inertness of the Spaniards in their Moroccan Zone, made it a matter of small consequence, from the practical point of view of our general interests, whether we recognized them or not. The advantage of recognition was then all to the benefit of the prestige of the Spanish position in Morocco.

Now, however, that—following the French example—they seem to be actively bent upon demolition of the treaty system, and inclined to over-ride our specific rights both commercial and jurisdictional, the question assumes another aspect, and absence of recognition, with lack of proper contacts, has become a disadvantage and danger for ourselves.

What is particularly preoccupying me is that incidents, such as those recently occurring in connection with the threat to imprison our *ressortissants*, might be carried so far as to lead to regrettable conflicts between our Governments, in matters which intrinsically are of small importance, and which have much greater probability of being adjusted, before they reach a compromising stage, if normal official relations and contacts existed between the American Legation at Tangier and the High Commissioner at Tetuan, as the result of *de jure* recognition of the Spanish Protectorate.

It is plain therefore that recognition is a desirable step, and the sooner effected, the better for our own interests. In these circumstances, I was prompted to put forward my five-point formula for the Department's consideration, designed, I conscientiously felt, to bring about an early recognition of the Zone by us, and, let me repeat, creating thereby more normal relationship, and facilitating methods of common approach to the pending problems in that Zone, while, at the same time, not sacrificing, in any respect, any claims or principles on which we have hitherto taken a position. My formula also completely divorced the question of recognition from that of the surrender of the capitulations, a point which appears to have somewhat escaped the notice of the Department.

Let me analyze very briefly the significance of this formula:

Point 1.

Settlement of all claims agreed to be paid in the Spanish Note of January 22, 1930, but without reference to categories or conditions.

A recapitulatory table of these claims is annexed hereto.[23]

This proposition, in effect, would give immediate satisfaction to all our claimants, with the exception of Driss El-Kittany.

Point 2.

With reference to the claim of Driss El-Kittany, the Spanish Note subjects this controversy to the decision of the Spanish Land Courts

[23] Not printed.

in Morocco, our recognition of which is incompatible with the treaties. The formula provided for in my suggestions, rescues the case from what may become an interminable controversy over appropriate jurisdiction, and places the equitable adjustment of the case in the hands of the Spanish High Commissioner and myself, both to be clothed with full powers to execute the settlement.

It is my belief that once Señor Rico Avello and myself, accompanied by our experts, should visit the property with our respective documents, the indisputable character of the American claimant's rights would become apparent, since I have reason to believe that the Spanish Government has no documents whatsoever showing its ownership of the land in question, the Spanish occupation being effected by sheer encroachment, the evidence of which will be revealed by boundaries laid down in the documents.

In the event that the Spanish High Commissioner would not find himself convinced, or would be reluctant to admit the facts, arbitration by competent local jurists might be resorted to, the costs in connection therewith being borne by the claimant himself. In any event, the arbitration charges of local jurists involve but relatively nominal amounts.

I hope this explanation will satisfy the Department since the assurance is given that there will be no question of the incurrence of charges on its behalf in connection with arbitration, if this is ultimately resorted to.

Whatever may be the procedure adopted for the settlement of the Kittany claim, it is almost inevitable that a long period of time will elapse before a settlement can be reached, and consequently I felt, in view of the many other interests involved, that it would be neither just nor proper to make a settlement of this one case, notwithstanding its intrinsic merits, a *sine qua non* of recognition, and I trust that the Department, with the foregoing explanations, may incline to this point of view.

Point 3.

Once agreement on the above two points arrived at, and payment having been effected of all claims, except Kittany's, my formula provided for immediate political recognition of the Spanish Zone.

Point 4.

We would then be in a position to pursue discussions in regard to the legislation edicted in the Spanish Zone by the Spanish authorities, acquiescing in or rejecting the measures in precisely the same conditions as we do in the French Zone.

Point 5.

With respect to the final point, it must be distinctly borne in mind that the subject matter which it covers is not to be voluntarily brought up by ourselves. It is referred to now merely for the purpose of considering the line of action to be pursued, in the event that these matters and particularly the capitulations are forced into the discussion by the Spanish negotiators.

The Department of course is fully aware of the insistence of the Spanish Foreign Office upon connecting the question of our recognition of their Zone with the suppression of the capitulations, and there remains the possibility that this question may again be pressed, and create a stumbling block to the negotiations. It was in my mind that this difficulty might possibly be overcome, if we are able to make some gesture to placate Spanish *amour-propre*, but involving no commitments and this I believe might be done by some formula such as the following:

The Government of the United States would be pleased to see established throughout Morocco conditions which would render superfluous a further retention by it of the régime of the capitulations throughout that country, and it observes with the greatest interest and sympathy the efforts inspiring the Spanish Government to bring about necessary reforms in its Moroccan Zone of Influence.

The question of the capitulations however is one that can only be envisaged by the United States Government as an issue involving principles and policy equally applicable to all parts of Morocco. Once the impediments in this direction are removed, the American Government will be glad to take fully into account all developments favorable to a satisfactory solution of this question in the Spanish Zone.

After *de jure* recognition, Spain, in fact, could not be denied the right to bring up for discussion with us any matter relating to her Zone in Morocco.

We have repeatedly impressed upon the Spaniards the impossibility of departing, in their case, from the procedure which the American Government adopted in regard to the recognition of the French Protectorate, but this attitude surely implies that we should also go as far with the Spanish Government as we did with the French, under the terms of Mr. Lansing's Note of January 2, 1917. (See *Foreign Relations* 1917, page 1093). This Note certainly established the independence of the two questions, recognition and abrogation of the capitulations, but at the same time it contemplated eventual discussions of the latter subsequent to recognition, without reference to either time or to the conditions which might govern the subject.

The Department is aware that on several occasions the French Government has indeed raised the question of the abrogation of the capitulations with us. We have nevertheless, for reasons of our own, main-

tained our extraterritorial jurisdiction in the French Zone, and on similar grounds could continue to maintain it in the Spanish Zone.

I have already indicated to the Department that much time will certainly elapse before this stage is reached, i. e., discussion of the subject matter of point 5, if this is eventually forced into the program from the Spanish side.

Furthermore, the demands we may legitimately and reasonably make on the Spaniards, for the eventual guarantee of our commercial interests in Morocco—and the negotiation of substitute treaties—will render as remote as we desire it to become, any practical consideration of the abrogation of the capitulations in the Spanish Zone.

The Department, I am sure, cannot but have noted how persistently, in my despatches extending over a long period of time, I have emphasized the great importance to be attached to the retention of our capitulatory rights in Morocco, a point of view which I continue to hold even more firmly to-day, in the critical period we are traversing.

I would therefore be the first to suggest the elimination of any eventual consideration of the subject matter of point 5, regardless of the possible pressure of the Spanish Government for some statement in this connection, should the Department feel that my proposal in this respect may be miscalculated, or tend in any way to weaken our stand on our capitulatory rights.

I do not feel this to be the case, but naturally the Department is alone competent to make a decision on the point in question.

Respectfully yours, MAXWELL BLAKE

681.003/153a : Telegram

The Secretary of State to the Ambassador in Spain (Bowers)

WASHINGTON, February 21, 1935—6 p.m.

15. Since Foreign Office stated early in January [24] they would require 10 days or 2 weeks to consider question of settlement of claims in exchange for recognition of Spanish Zone, it is suggested, within your discretion, that you sound Spanish out regarding their willingness to reach an agreement along lines outlined as points (1), (2) and (3) of formula in your 6, January 14, 3 p.m. Department assumes that (1) comprises claims amounting to 207,039.85 pesetas as indicated in second paragraph of Department's 7, January 29, 7 p.m.

While the Department has assumed that reference to claims being settled means actual payment of claims prior to recognition, rather than delay agreement we would not insist, provided the Spanish agree in an exchange of notes to specify a specific and reasonable time in which payment would be made. We would also be willing to have

[24] See telegram No. 6, January 14, 3 p.m., from the Ambassador in Spain, p. 1001.

Kettani claim settled subsequently by negotiation between Blake and the High Commissioner.

The Department reiterates its desire to have claims settled without any conditions other than that the United States shall formally recognize the Spanish Protectorate.

In view of rumors, confirmed by Johnson, who is here this week, that Spanish are reluctant to go along with the French in the proposed change of the customs regime, it is suggested, within your discretion, that you point out again to the Foreign Ministry orally that this Government is opposed to the French proposal since the project as we interpret it, involving a system of quotas which are inherently discriminatory, and a unilateral balancing of trade, is out of harmony (1) with the principle of commercial equality as guaranteed to the Powers in the Act of Algeciras,[25] and by the French in various treaties which constitute the basis of the French Administration in Morocco, as cited in paragraphs 4 and 5 of the Department's 669 of December 18,[26] and (2) with our general policy to encourage the fullest volume of mutually profitable commerce throughout the world by the removal of trade barriers.

Please keep Department informed by cable.

HULL

681.003/156 : Telegram

The Ambassador in Spain (Bowers) to the Secretary of State

MADRID, February 25, 1935—1 p.m.
[Received February 26—9 : 15 a.m.]

15. Department's 15, February 21, 6 p.m. Informed by Foreign Office that matter had been referred to Spanish High Commissioner at Tetuan and until a reply was received it could not make a reply. Foreign Office stated it was pressing for an answer and expected a reply within 10 days. Attributed delay to indifference of High Commissioner to our recognition of the Spanish Zone unless question of capitulations was included in agreement.

BOWERS

681.003/154 : Telegram

The Acting Secretary of State to the Diplomatic Agent and Consul General at Tangier (Blake)

WASHINGTON, March 1, 1935—2 p.m.

3. Your despatch 1019, February 6. Department appreciates receiving your observations on formula for recognition of Spanish Zone

[25] For text of the General Act of the International Conference of Algeciras, signed April 7, 1906, see *Foreign Relations*, 1906, pt. 2, p. 1495.
[26] *Ibid.*, 1934, vol. II, p. 876.

and satisfactory clarification of certain point regarding the claims, and assumes that basic negotiations looking to possible agreement on points (1), (2) and (3) of formula in your 6, January 14, 3 p.m., are being pursued between American Embassy at Madrid and Spanish Foreign Ministry. Department understands further that subsequent to the agreement as outlined above you will begin conversations with Spanish High Commissioner regarding the Kettani claim, and also point (4) of your formula, according to the exigencies of the situation.

The Department has reiterated to the Embassy its desire to have the claims settled without any conditions other than that the United States shall formally recognize the Spanish Protectorate.

PHILLIPS

681.003/161 : Telegram

The Chargé in the United Kingdom (Atherton) to the Secretary of State

LONDON, March 6, 1935—noon.
[Received March 7—9 a.m.]

96. Embassy's telegram 27, January 21, 6 p.m.

1. Foreign Office states it is in receipt of a further formal request from the Spanish Embassy that Great Britain relinquish its extra-territorial rights in the Spanish Zone of Morocco and would be grateful if it might be informed whether the Department has received a similar request.

2. Foreign Office had not formulated a reply and proposes "to temporize" but mentioned that though it had no present intention of giving up those rights it assumed "they probably can't be held forever".

3. Foreign Office thought that since we were in the same position, possible concerted action seemed indicated and desirable, and Foreign Office would be interested in any views the Department might wish to convey.

4. The Embassy mentioned our non-recognition of the Spanish Protectorate as having a possible bearing in the matter, and promised to communicate with the Department by telegraph.

ATHERTON

681.003/161 : Telegram

The Secretary of State to the Chargé in the United Kingdom (Atherton)

WASHINGTON, March 8, 1935—7 p.m.

48. Your 96, March 6, noon. You may advise British orally that this Government is now negotiating with the Spanish Government

with the view of obtaining settlement of certain claims of American protégés arising in the Spanish Zone of Morocco, in exchange for formal recognition of the Spanish Protectorate by the United States. While the Spanish have indicated they desire to inject the question of surrender of extraterritorial rights into negotiations, the American negotiators have been instructed by the Department to make it clear to the Spanish that we desire to limit the present negotiations to a settlement of claims in exchange for formal recognition. This Government has no present intention of giving up its extraterritorial privileges.

HULL

681.003/167

The Chargé in the United Kingdom (Atherton) to the Secretary of State

No. 1275 LONDON, March 12, 1935.
[Received March 20.]

SIR: I have the honor to refer to the Department's telegram No. 48 of March 8, 7 p.m., instructing the Embassy to inform the Foreign Office that during the negotiations for the settlement of the claims of American protégés arising in the Spanish Zone of Morocco, the Spanish have indicated that they desire to inject the question of surrender of extraterritorial rights.

The substance of that telegram was conveyed to the Foreign Office, which expressed its thanks and inquired what the Department had thought of the question of "possible concerted action" suggested by the Foreign Office and repeated in paragraph 3 of the Embassy's telegram No. 96, March 7 [6], 12 noon. The Embassy replied that that point seemed covered by the Department's statement that it has no present intention of giving up its extraterritorial privileges, and that therefore the two countries were apparently in accord in the policy they had in mind. The Foreign Office expressed the hope that it might be kept informed of any further developments in this relation.

After mentioning that the Spanish Embassy in London had addressed a note on the subject in January and another note the latter part of February, the Foreign Office asked specifically if it might be advised when the Spanish first indicated a desire to inject the question of the surrender of extraterritorial rights into the present negotiations with the United States. I should be glad, therefore, to receive any information in this connection which I may convey to the Foreign Office.

Respectfully yours, RAY ATHERTON

681.003/167

The Secretary of State to the Ambassador in the United Kingdom (Bingham)

No. 772 WASHINGTON, March 27, 1935.

SIR: The Department has received the Embassy's despatch No. 1275 of March 12, 1935, in which there is transmitted the inquiry of the British Foreign Office regarding the time of the injection of the question of the surrender of the extraterritorial rights of the United States into the negotiations now pending between this country and Spain, looking to the recognition of the Spanish Zone by this Government in exchange for the settlement of outstanding American claims.

In reply you are authorized to advise the Foreign Office that the Spanish Foreign Office brought up the question of the surrender of capitulations during the first conferences in Madrid between the American and Spanish representatives the second week of January. Upon the reiteration by the American representatives of this Government's position that recognition of the Spanish Zone and surrender of the capitulations were two entirely independent issues, and that the latter could not be dealt with separately in any one Zone in Morocco, the representative of the Foreign Office did not further insist upon that point, although he still intimated his expectation that the abrogation of our extraterritorial rights would speedily follow political recognition of the Spanish Protectorate.

You may reiterate to the Foreign Office that this Government has no present intention of considering the question of the surrender of our extraterritorial rights either in the Spanish or French Zone of Morocco.

Very truly yours, For the Secretary of State:
WILLIAM PHILLIPS

681.003/198a : Telegram

The Acting Secretary of State to the Ambassador in Spain (Bowers)

WASHINGTON, July 24, 1935—4 p.m.

48. Since matter of recognition of Spanish Zone by this Government and the settlement of claims by Spain has been pending for approximately 6 months, the Foreign Office having informed the Embassy in February it was pressing for an answer from the Spanish High Commissioner at Tetuan, you are requested, within your discretion, to ascertain orally, if possible, what the Spanish Government proposes to do in the matter. It would appear that sufficient time has elapsed for a decision upon the question. Please cable brief reply.

PHILLIPS

681.003/199 : Telegram

The Ambassador in Spain (Bowers) to the Secretary of State

MADRID, July 27, 1935—noon.
[Received July 27—8:50 a.m.]

51. Your No. 48, July 14 [*24*], 4 p.m. Foreign Office states reply has at length been received from Spanish High Commissioner which is not entirely satisfactory. Foreign Office, however, favors settlement, and has placed matter before Prime Minister urging speedy decision.

BOWERS

452.11/326

The Ambassador in Spain (Bowers) to the Secretary of State

No. 908 MADRID, October 2, 1935.
[Received October 15.]

SIR: With reference to my despatch No. 833 of July 27,[27] I have the honor to report that I had an interview with the Minister for Foreign Affairs this morning regarding the American claims in the Spanish Zone in Morocco and urged upon him the adoption of the formula given in my cable No. 6 of January 14, 3 p.m. I pointed out that we have now waited nine months for a reply which it was originally expected could be given within ten days and that since the High Commissioner of the Spanish Zone Sr. Rico Avello, is now in Madrid the present moment is a propitious one in which to come to some definite conclusion.

Sr. Lerroux said that the above referred to formula had been brought to his attention when he was Prime Minister and that he would request the Under-Secretary of the Ministry for Foreign Affairs immediately to get in touch with Sr. Rico Avello. He added that he would be "diligent" in seeking an arrangement of this question and that he desired American recognition of the Spanish Zone.

I left with Sr. Lerroux an *Aide-Mémoire* based on the Department's cable No. 15 of February 21, 6 p.m., bringing to his personal attention the facts of the situation and the long delay thus far experienced.

Respectfully yours, CLAUDE G. BOWERS

452.11/327

The Ambassador in Spain (Bowers) to the Secretary of State

No. 939 MADRID, November 2, 1935.
[Received November 21.]

SIR: With reference to my despatch No. 908 of October 2nd, I have the honor to report that Sr. Lerroux made no reply to my represen-

[27] Not printed.

tations regarding the payment of American claims in the Spanish Zone of Morroco during his short incumbency of the Foreign Office.

I have already taken up this question with the new Minister for Foreign Affairs, Sr. Martínez de Velasco. Moreover, the Counselor of the Embassy called upon the Sub-Secretary of the Ministry for Foreign Affairs two days ago and was informed by him that the Ministry had that day forwarded another urgent request to the Presidency of the Council of Ministers, asking that some decision be come to at once. While Mr. Johnson was in his office, Sr. Aguinaga telephoned to the Sub-Secretary of the Presidency and made a personal and emphatic request that there be no longer delay in this matter and that Sr. Rico Avello, the High Commissioner in Spanish Morocco should be required to give his long overdue report.

Respectfully yours, CLAUDE G. BOWERS

REPRESENTATIONS BY THE UNITED STATES AGAINST DISCRIMINATORY PASSPORT REGULATIONS IN THE SPANISH ZONE OF MOROCCO

811.11101 Waivers 81—

The Secretary of State to the Ambassador in Spain (Bowers)

No. 174 WASHINGTON, December 6, 1934.

SIR: The Department refers to your despatch No. 344 of April 17, 1934, concerning its instruction No. 91 of March 30, 1934,[28] relative to the fees charged by French and Spanish Consulates for visaing passports of American citizens traveling in Morocco.

The Department is in receipt of despatch No. 985 of November 3, 1934, from the American Diplomatic Agent and Consul General at Tangier, Morocco,[29] in which he states that "the situation as regards American citizens resorting to or merely traversing the Spanish Zone, has become aggravated by the recent imposition of a requirement by which such citizens, in order to obtain a visa for residence or transit, must provide the Spanish Consulate General, here, with two photographs". It is added that this requirement has in a number of cases made it necessary for American citizens debarking at Tangier in order to proceed through the Spanish Zone to points in the French Zone or to visit the city of Tetuan to give up their train or autobus reservations and remain in Tangier while at the same time French and

[28] Neither printed.
[29] Not printed.

British nationals are able to proceed to such places without even being required to obtain visas. The Legation at Tangier has communicated orally and in writing with the Spanish Consul General at Tangier pointing out the obvious discrimination against American citizens resulting from the necessity on the part of such citizens to obtain Spanish visas in order to traverse the Spanish Zone while nationals of other countries, notably English and French nationals, are not required to obtain visas. It is noted that in the communication from the Spanish Consul General of October 25, 1934, to the American Diplomatic Agent and Consul General at Tangier [30] it is stated that the former has been advised by the Spanish Government that "in order to arrive at the adoption of measures analogous with English subjects and French citizens who in the future may enter the Spanish Zone of Morocco, negotiations were followed to this effect between the representatives of those States at Madrid and our Ministry of State, and that in the present case, respecting this established precedent, it would be pertinent to follow this example".

The Department desires that you again take up with the appropriate Spanish authorities the impropriety of the action of Spanish consular officers in requiring visas of American citizens intending to enter the Spanish Zone in Morocco, recently aggravated by the imposition of a requirement that such citizens provide the Spanish Consulate General in Tangier with photographs which can only be obtained after some inconvenience and delay. Obviously you should stress not only the impropriety of any action in Morocco which may in any way discriminate against American citizens but also the provisions of the applicable treaties, especially Article IV of the general treaty between Great Britain and Morocco of 1856,[31] the terms of which article are applicable to American citizens by virtue of the most-favored-nation clauses of various treaties and conventions to which the United States and Morocco are parties. The Department considers that this is a matter which should long ago have been cleared up by the Spanish authorities by the removal of any requirement with respect to the necessity of American citizens traveling in the Spanish Zone obtaining Spanish visas, and it therefore urges you to press this matter in order that it may be disposed of satisfactorily as soon as possible.

Very truly yours, For the Secretary of State:
WILBUR J. CARR

[30] Not printed.

[31] Convention of Commerce and Navigation signed at Tangier, December 9, 1856, *British and Foreign State Papers*, vol. XLVI, p. 188.

811.11101 Waivers 81—

The Ambassador in Spain (Bowers) to the Secretary of State

No. 608 MADRID, December 18, 1934.
[Received January 2, 1935.]

SIR: With reference to the Department's instruction No. 174 of December 6th and to my despatch No. 597 of December 7th last,[32] I have the honor to report that when the Counselor of the Embassy had occasion to call upon Sr. Castaño, Chief of the Over-Seas Division of the Foreign Office, to present him with a Note with regard to the discrimination practised against American citizens in Morocco in the matter of visa fees, passports, etc., he laid stress upon the fact that the treaties between the United States and Morocco, which the Act of Algeciras [33] expressly states remain in force, provide for most-favored-nation treatment for American citizens. Sr. Castaño's reaction to this remark was interesting. He did not attempt to deny our treaty rights, but implied that conditions in Morocco had changed greatly since 1906, and that the signatories of the Act of Algeciras should realize that these changes did much to justify a change in policy. He asserted that the French have gone much further in their commercial and other regulations in the French Zone than have the Spanish in the Spanish Zone. Mr. Johnson said that in his opinion no change in conditions could justify an infringement of rights given by treaties which are still in force, and made a remark calculated to draw out Sr. Castaño as to the possible intention of the Spanish Government to call a meeting of the signatories of the Act of Algeciras in an attempt to supersede the Act by a new agreement. Sr. Castaño said that such action would be too complicated for the present time as there were so many questions and interests involved, but again implied that the signatories should view with not too critical an eye measures adopted on account of changed conditions.

With regard to the specific point of visas for the Spanish Zone, Sr. Castaño remarked that it should be an easy thing for Spain and the United States to negotiate an agreement such as that negotiated between Spain and England. To this Mr. Johnson replied that it would seem to be unnecessary to negotiate any such agreement since American citizens are entitled to the privileges given to the English, French, or anyone else, by virtue of treaty provisions regarding most-favored-nation treatment.

An attempt has not been made to give the exact phraseology of the

[32] Latter not printed.

[33] For text of the General Act of the International Conference of Algeciras, signed April 7, 1906, see *Foreign Relations*, 1906, pt. 2, p. 1495. The signatory Governments were Austria-Hungary, Belgium, France, Germany, Great Britain, Italy, Morocco, the Netherlands, Portugal, Russia, Spain, Sweden, and the United States.

remarks quoted above, but the conversation is reported since it seems of interest as indicative of the general policy of Spain in Morocco and of its attitude toward the Algeciras Convention. Senor Castaño's attitude would seem to bear out the opinion of the Italian Chargé d'Affaires that Spain is adopting a "gnawing policy" toward the Convention—Despatch No. 559 of November 13th.[34]

In this connection Mr. Lens, Counselor of the French Embassy, remarked the other day that he understood that France, Spain and Great Britain were negotiating with regard to a change in the commercial régime in Morocco.

Respectfully yours, CLAUDE G. BOWERS

811.11101 Waivers 81—

The Ambassador in Spain (Bowers) to the Secretary of State

No. 675 MADRID, February 27, 1935.
[Received March 9.]

SIR: I have the honor to refer to the Department's instruction No. 174 of December 6, 1934, requesting me to bring to the attention of the Spanish Government the impropriety of the action of the Spanish consular officers in requiring visas of American citizens intending to enter the Spanish Zone in Morocco, and also the inconvenience and delay resulting from the requirement that such citizens provide the Spanish Consul General in Tangier with photographs. There are enclosed a copy and translation of a Note from the Ministry of State in reply to the Embassy's representations regarding this matter.

It will be observed from the final paragraph of the Note from the Ministry of State that the Spanish Government is prepared to abolish the requirement of passport photographs, subject to the right of the Spanish Consul at Tangier to require them whenever he considers it necessary for the proper identification of the individuals concerned. In this connection reference is made to the fourth paragraph of the Embassy's Note to the Ministry of State which was dated December 17, 1934, and which read as follows:

"It very seldom occurs that such persons carry with them extra copies of photographs and the result has been, in at least eight cases, that in order to secure such copies, the interested Americans have been forced to give up their reservations and remain over in Tangier, while French and British companions with whom they were traveling were able to proceed without even obtaining visas."

Respectfully yours, For the Ambassador:
WALTER H. SCHOELLKOPF
Secretary of Embassy

[34] *Foreign Relations*, 1934, vol. II, p. 857.

[Enclosure—Translation]

The Spanish Under Secretary of State (Aguinaga) to the American Ambassador

No. 20 MADRID, February 12, 1935.

EXCELLENCY:

MY DEAR SIR: Under date of December 17th last you addressed me a Note requesting that the exemption from visas agreed upon for passports of British and French citizens, as well as those of any other country, who may enter the Spanish Zone in Morocco, be extended also to American citizens in virtue of the most-favored-nation clause which the United States enjoys as a result of the various treaties and conventions to which the United States and Morocco are contracting parties.

The contents of Your Excellency's Note having been studied with all attention, and the subject having been reported upon by the High Commissioner and the Technical Secretariat for Morocco, I permit myself to bring to Your Excellency's attention (the fact) that Article 4 of the Anglo-Moroccan Treaty of December 9, 1856, cited by Your Excellency, provides that: "For his part His Britannic Majesty obligates himself to grant to the subjects of His Majesty the Sultan the same privileges in all his possessions that are granted to subjects of most-favored-nations." That is to say, that in the said clause the benefit of most-favored treatment is not established in its entirety and without any limitation, but that, on the contrary, it is conditioned upon strictly reciprocal treatment for Moroccan subjects, which enjoy likewise the fullest advantages that the British Government grants to the subjects of any other country.

Consequently, the United States could only request for their citizens the suppression of the visa of passports in the event that the American Government should agree to grant to the natives of the Spanish Zone in Morocco the most-favored treatment which it grants to the citizens of any other country.

Notwithstanding this, the High Commissioner of Spain in Morocco and the Spanish Government, in their desire to offer the greatest facilities to American citizens who may wish to visit the Spanish Zone, are disposed, beginning from this moment, to abolish the requirement of photographs when it is solely a question of tourists under the conditions mentioned in the fourth paragraph of Your Excellency's Note to which I am replying in the present communication, the Consul of Spain at Tangier remaining authorized to require them in all cases in which he may consider it necessary or convenient to the proper identification of the individuals.

I take [etc.] JOSÉ M. AGUINAGA

811.11101 Waivers 81—

The Chargé in Spain (Johnson) to the Secretary of State

No. 805 MADRID, July 2, 1935.
[Received July 15.]

SIR: With reference to the Embassy's despatch No. 675 of February 27th last, I have the honor to report that upon the receipt of a copy of Mr. Blake's despatch to the Department, No. 1070 of June 17th,[35] entitled "Discriminatory Passport Regulations in Spanish Zone of Morocco", I took up this discrimination again with the Foreign Office and have received a Note, dated July 1,[35] in reply to my representations, a copy and translation of which are enclosed herewith. This Note states that instructions have been sent to the Spanish Consul General in Tangier in order that the presentation of two photographs by American tourists desiring a visa may be no longer necessary.

Respectfully yours, HALLETT JOHNSON

811.11101 Waivers 81—

The Secretary of State to the Ambassador in Spain (Bowers)

No. 274 WASHINGTON, August 23, 1935.

SIR: The Department acknowledges the receipt of your despatches No. 608 and No. 675 of December 18, 1934, and February 27, 1935, respectively, concerning the Spanish policy in Morocco with reference to the requirement that a citizen of the United States traveling through or resorting to the Spanish Zone of Influence in Morocco obtain a visa and pay a fee therefor. This matter has been, as you know, the subject of considerable correspondence between your Embassy and the Spanish Government and between the American Diplomatic Agent and Consul General at Tangier and the Spanish Consul General at that place, but has not culminated in a conclusion in any way satisfactory to this Government.

The Department is of the opinion, however, that notwithstanding the attitude of the Spanish Government it should nevertheless insist that in principle the Spanish Government has no authority in law or under treaty provision to impose upon American citizens resorting to or traversing the Spanish Zone of Influence in Morocco the requirement that they obtain visas for residence or transit and pay fees therefor. The attitude of the Department has been set forth in various communications to you, especially in instruction No. 174 of December 6, 1934. In consequence it seems unnecessary to review the De-

[35] Not printed.

partment's previous attitude with respect to the Spanish requirements, and it seems necessary to discuss only the reply of the Spanish Ministry of State of February 12, 1935, to your note of December 17, 1934.[36]

In its note the Spanish Ministry of State contends that by Article 4 of the Anglo-Moroccan Treaty of December 9, 1856, the benefit of the most-favored-nation treatment is not established in its entirety and without limitation but that it is conditioned upon reciprocal treatment being accorded to Moroccan subjects. The Department considers that under the Convention of 1880[37] citizens of the United States are entitled in Morocco to the same treatment as is accorded to the most-favored-nation without any obligation on the part of the United States to grant similar treatment to natives of Morocco. In the opinion of the Department the contention of the Spanish Government that under Article 4 of the Anglo-Moroccan Treaty of 1856 the United States could request for its citizens the suppression of the passport visa requirements for American citizens resorting to or traveling through the Spanish Zone in Morocco only if it were to grant to natives of the Spanish Zone the privilege of entering the United States without visas is unsound. Moreover, it seems clear from despatch No. 1075 of July 11, 1935, from the Diplomatic Agent and Consul General at Tangier,[38] a copy of which was forwarded by him to your Embassy, that the arrangement between the British, French and Dutch Governments and Spain regarding the travel of their nationals in the Spanish Zone in Morocco is not based upon the observance by Great Britain, France, the Netherlands or Spain of reciprocal treatment of natives of Morocco, and consequently the policy of the Spanish Government with respect to citizens of the United States resorting to or traveling through the Spanish Zone in Morocco is distinctly discriminatory.

It is requested that you press the Spanish authorities as vigorously as possible to discontinue their long continued discrimination against citizens of the United States resorting to or traveling through the Spanish Zone in Morocco.[39] You should point out not only the legal rights of citizens of the United States under the Convention of 1880 and the vexation of an inconvenience caused to citizens of the United

[36] Not printed; it followed instruction No. 174, December 6, 1934, to the Ambassador in Spain, p. 1018.

[37] Convention as to Protection between Morocco and Other Powers, signed July 3, 1880, William M. Malloy (ed.), *Treaties, Conventions, etc., Between the United States and Other Powers*, 1776–1909 (Washington, Government Printing Office, 1910), vol. I, p. 1220.

[38] Not printed.

[39] The Ambassador reported in despatch No. 881, September 11, 1935, that on that day a note, dated September 10, pursuant to this instruction, was left at the Spanish Ministry for Foreign Affairs.

States desiring to travel in the Spanish Zone in Morocco, but also call attention to the fact that the visa requirements have doubtless dissuaded many citizens of the United States from traveling in the Spanish Zone in Morocco, with consequent economic disadvantages to such Zone.

Very truly yours,

For the Secretary of State:
R. WALTON MOORE

TURKEY

ATTITUDE OF THE UNITED STATES TOWARD EFFORTS BY TURKEY TO SECURE REVISION OF THE REGIME OF THE STRAITS; CONSIDERATION OF POSSIBLE AGREEMENT WITH TURKEY REGARDING AMERICAN NAVIGATION RIGHTS[1]

767.68119/869 : Telegram (part air)

The Consul at Geneva (Gilbert) to the Secretary of State

GENEVA, April 17, 1935—6 p.m.
[Received April 19—6 : 29 a.m.]

147. Consulate's despatch 956, political, July 12th last.[2]

1. After discussing the resolution relating to German rearmament the Turkish representation in the Council meeting today made a statement[3] in regard to Turkey's attitude towards the Straits Convention[4] of the following substance:

He reminded the Council that the Treaty of Lausanne[5] included clauses limiting the means of defense of one part of Turkey. In Thrace the limitation applied also to Greece and Bulgaria. He would refer therefore only to the Bosphorus concerning which the military clauses were discriminatory in character as they involved no counterpart and thus established an unfair situation to the detriment of Turkey in spite of change in the circumstances that had given rise to them. If changes were envisaged in application military systems Turkey would be obliged to make her acceptance depending on a modification of the provisions relating to the Bosphorus and Dardanelles. Under a system of perfect equality Turkey offered full security to all and was ready to accept any agreement that might be desired. He did not wish to go into this question now but desired to make Turkey's attitude clear any changes respecting the Straits would not of course affect the freedom thereof.

2. The representatives of Great Britain,[6] Italy[7] and France[8] in turn immediately expressed reservations on the subject at the same

[1] Continued from *Foreign Relations*, 1934, vol. II, pp. 971–990.
[2] *Ibid.*, p. 976.
[3] For text of the Turkish statement, see League of Nations, *Official Journal*, May 1935, p. 562.
[4] Signed at Lausanne July 24, 1923, League of Nations Treaty Series, vol. XXVIII, p. 117.
[5] Convention Respecting the Thracian Frontier, signed at Lausanne July 24, 1923, *ibid.*, p. 141.
[6] Sir John Simon.
[7] Baron Pompeo Aloisi.
[8] Pierre Laval and Rene Massigli.

time observing that the question had no direct connection with the matter before them and that it had not been raised formally by the Turkish representative.[9]

3. Litvinov [10] declared that his country would place no difficulty in the way of the realization of Turkish desires.

4. The Turkish statement is interpreted here as a forewarning if the future negotiations should include a revision of the military clauses of the Treaties of Saint Germain,[11] Trianon [12] and Neuilly.[13]

GILBERT

767.68119/872

The Ambassador in Turkey (Skinner) to the Secretary of State

No. 631 ISTANBUL, April 30, 1935.
[Received May 25.]

SIR: Apropos of the Turkish request for a reconsideration of the Convention relating to the regime of the Straits recently laid before the Council of the League of Nations by Dr. Tevfik Rüstü Aras, President of the Council and Turkish Foreign Minister, I am told that when Dr. Aras returned to Turkey a day or two ago and encountered the French Ambassador,[14] he brought up the matter, saying that he wished to see him in order to remark that during the session of the Council Turkey had supported the French position with respect to Germany (notwithstanding that Turkey had been Germany's ally during the Great War) and he therefore hoped (and I surmise that he added—expected—) that France would recognize the debt by agreeing to the Turkish demand.

As I may have remarked in an earlier despatch, Turkey particularly dislikes the Straits Commission provided for in Article 10 of the Straits Convention, not so much because of anything it has done or can do, as because of its reminder that the narrow waters, after all, are under a sort of foreign tutelage. It may be remarked in this connection that Article 12 of the Convention states: "The United States of America, in the event of their acceding to the present Convention, will also be entitled to have one representative on the Commission."

I am inclined to surmise that this Straits Convention matter will be kept before the Powers by Turkey until the proposals are definitely accepted.

Respectfully yours, ROBERT P. SKINNER

[9] Tevfik Rüstü Aras, Turkish Minister for Foreign Affairs.
[10] Soviet Commissar for Foreign Affairs.
[11] Signed September 10, 1919, *Treaties, Conventions, etc., Between the United States of America and Other Powers*, 1910–1923 (Washington, Government Printing Office, 1923), vol. III, p. 3149.
[12] Signed June 4, 1920, *ibid.*, p. 3539.
[13] Signed November 27, 1919, *British and Foreign State Papers*, vol. CXII, p. 781.
[14] Frédéric Albert Kammerer.

767.68119/873

The Ambassador in Turkey (Skinner) to the Secretary of State

No. 644 ISTANBUL, May 18, 1935.
[Received June 7.]

SIR: The Department has noted, no doubt, my recent despatches in regard to the Turkish request for a modification of the Straits Convention. Turkish pride is involved in this matter and her Government regard this a favorable moment for pressing the demand. At the recent Balkan Conference [15] held in Bucharest the members of the Entente agreed to support the Turkish view, and the Powers, having received Turkish assistance at Geneva are doubtless giving the subject earnest consideration.

It should not be overlooked that when the Straits Convention was being negotiated at Lausanne, it was Ismet Pasha [16] himself, who recommended it, and that, too, against the wishes of Mr. Chitcherin, the Soviet representative. Mr. Chitcherin was extremely indignant at the attitude of his Turkish friends. But times have changed!

At Lausanne disarmament was in the air, and today, so Turkey says, she then thought disarmament really would take place. Today (I quote a Foreign Office official) Turkey cannot ignore that the world is arming. The Straits are Turkey's most vulnerable point. My informant supplies the interesting fact that when recently Great Britain opposed the re-arming of the Straits, Dr. Aras replied that Turkey would willingly refrain from re-arming the Straits if the British would sign a treaty agreeing to protect them. That, in fact, was about what he said to me when we once talked about a treaty with the United States—putting it this way: "Yes, a treaty with the United States if you would agree to join us in protective measures." [17]

With or without treaty revision, Turkey is already prepared to defend the Straits, and it is open to doubt whether, questions of pride and prestige apart, Turkey has much to gain from revision. Mobile land defenses exist, and, I am told, there are numerous craft in readiness, in Ismet Bay in the Marmara, to be towed where needed, and utilized to close the channel. Doubtless the Soviets are urging Turkey to obtain now what Mr. Chitcherin could not get in 1923.

Respectfully yours, ROBERT P. SKINNER

[15] Second regular meeting of the Permanent Council of the Balkan Entente, May 10–13, 1935.

[16] Turkish Foreign Minister, 1923.

[17] See despatch No. 411, October 29, 1934, from the Ambassador in Turkey, *Foreign Relations*, 1934, vol. II, p. 984.

767.68119/874

The Ambassador in Turkey (Skinner) to the Secretary of State

No. 653 ISTANBUL, May 29, 1935.
[Received June 21.]

SIR: In continuation of recent despatches which I have sent to the Department in regard to the Turkish desire for a revision of the Straits Convention, I have to report that in the course of my inspection journey to Izmir, concluded only a few days ago, I passed over the road from Chanakele very near the mouth of the Straits to the site of ancient Troy, during two-thirds of the way on the main military road which connects with the railway. This road has a hard surface and is now being rebridged in about eight different places where I was obliged to make detours, the bridges at the moment being down. According to my inexpert observation, these bridges are being renewed with much stronger structures than those they are intended to replace. Furthermore, a military encampment actually at the mouth of the Straits on the Asiatic shore was pointed out to me, this encampment having been set up within the preceding ten days. It was said that the General in command had about 250 men under him, and the presumption seemed to be either that they were engineers making studies for permanent fortifications or perhaps were actually engaged in erecting fortifications. It would be unfair to the Turkish Government to assume that it proposes to imitate the German example and confront the parties to the Straits Convention with a "fait accompli", but I should say that it was clearly the case that the military authorities are taking the most active preparatory steps to the end in view.

My British colleague takes a reasonable view of the Straits problem. On the military side he recognizes that mobile artillery rather than permanent fortifications is the essential thing, but nevertheless mobile artillery requires gun emplacements and these emplacements could not at present be built in the demilitarized zone. Dr. Aras, our Minister of Foreign Affairs, had told him that his proposals at Geneva were not intended in any sense as an ultimatum but merely as the raising of a question of interest to Turkey. The British habit was, when something or other was working reasonably well, to let it alone and not make any change without the clearest sort of reason for so doing, and apparently London is now awaiting satisfactory proof that a change would be for the better and, of course, an international agreement could not be changed unilaterally.

Sir Percy Loraine agrees with the view that I have put forward heretofore that the Turkish Government looks upon the demilitarized zones as a blot upon Turkish independence. He himself had the im-

pression that the Soviets were back of the Turks in this matter, especially as the Soviet Ambassador had asked him some days ago how the British Government felt on the subject.

I sometimes wonder whether the Turks are not getting into deeper water with the Russians than they know, or had any intention of getting. The Russians now seem to be moving in the direction which had Mr. Chicherin's approval when the Lausanne Treaty was under negotiation. The Russians, after all, do not change. In the days of the Tsar their eyes were constantly fixed upon Constantinople. The new Tsar, Stalin, works in a different way. He makes a military alliance with Turkey; he becomes indispensable to Turkey, or so believes; he encourages the fortification of the Straits; he endows Turkey with certain industries; he obtains a privileged position, generally, in this country. How far will this movement proceed, and what would happen if the strong and able leader of Turkey today should disappear as some time he must, leaving the Government in the hands of men of untested ability who might or might not agree among themselves? In such circumstances would not Russia command the situation?

It would be extremely interesting to return to this country 25 years hence and institute comparisons.

Respectfully yours, ROBERT P. SKINNER

767.68119/877

The Ambassador in Turkey (Skinner) to the Secretary of State

No. 688 ANKARA, June 26, 1935.
[Received July 20.]

SIR: I called on Dr. Tevfik Rüstü Aras, Minister for Foreign Affairs, yesterday, with whom I had a protracted conversation in regard to various political questions. It will be recalled that as a member of the Council of the League of Nations and until recently its President, he has had many opportunities to be in touch with European political leaders. Referring to the question of the defense of the Straits he said that the question was now open for discussion, that the powers interested were aware of Turkey's desires, but up to the present time no formal demand for a decision had been advanced. That would come later. From the members of the Balkan Union he had been promised the most definite support and he had high hopes that although Great Britain and France may be somewhat slow to come over to the Turkish point of view, nevertheless they will do so. The subject was discussed on June 20 at Bucharest where the representatives of the four Balkan States composing the Entente held their last meet-

ing, at which time Dr. Aras obtained from them the promise that they would support the following Turkish demands:

1. The right to install a certain number of mobile coast batteries.
2. The militarization of Turkish territory in Europe through the protection by means of mobile guns of routes leading to the Straits.
3. The right to plant submarine mine carriers on the coast.
4. The right to maintain at Çanakkale two bases for submarines each with a given number of those vessels.
5. The right to maintain a base for hydroplanes and another for airplanes.

The above, Dr. Aras said, comprised definitely the complete Turkish desires respecting the rearmament of the Straits.

I mentioned that at the Lausanne Conference Ismet Pasha had agreed to the present legal position as representing what were then Turkish wishes, that his acceptance of the terms had irritated Mr. Tchitcherin, representative of Russia, and that the present application for the right to rearm, something that Russia, also, seemed to desire still, indicated a complete change in the Turkish point of view. He agreed that this was so and explained it on the ground that Turkey had accepted the Straits Convention which carried with it a guarantee of protection by the signatory powers, because at the time it seemed probable that the disarmament of Germany would be followed by disarmament everywhere; but exactly the reverse situation now prevailed, as every power was arming heavily and Turkey could not be left in her present defenseless position. As to a special treaty with the United States giving us the right of transit under all circumstances, Turkey would be very pleased to negotiate such a treaty but would require us to come to her assistance in case of trouble. I pointed out that we would be most unlikely to accept any commitments of that kind in Europe, and we left the subject there.

The Italian Ambassador had just left Dr. Aras, in consequence of which he was full of the subject of Ethiopia.[18] Turkey was extremely interested in the situation in Africa and he, as President of the Council of the League of Nations, had done his utmost to prevent the outbreak of war. He explained the failure of the League to do anything positive about Ethiopia on the ground that precipitate action would certainly have led to the withdrawal of Italy from the League with a consequent chaotic situation in Europe, and said that in informal session the various members of the Council had pressed the Italian delegate very hard and that he himself had obtained a positive promise of entirely unofficial character that Italy would not go to war with Ethiopia but would submit her claims to some sort of arbitration.

[18] For correspondence relating to the American attitude toward the Italo-Ethiopian crisis, see pp. 723 ff.

Whether Italy could hold back in present circumstances was another question—at all events, she was under moral obligation to do so. Dr. Aras thought that perhaps, but only perhaps, the extensive military preparations made by Italy were intended for bluffing purposes, the object being to force Great Britain to secure an arrangement under which an Italian railroad might be built from Eritrea to Italian Somaliland, thus uniting the two colonies now separated by the French colony. To the question whether the powers possessed any right whatever to arrange for the construction of a railroad through Ethiopia without Ethiopia's consent, he observed that it might be immoral but also it might enable Italy to save her face. The danger, he avowed, was very great, because there was always Mr. Mussolini who had never made war and whose ambition to be a new Caesar was sufficiently revealed in his public addresses.

I asked whether he had any information about the allegation that France not only had washed her hands of Ethiopia in order to hold Italy in line in Europe but also had loaned three billion francs to the Italian government. Dr. Aras said that Mr. Laval denied to him that such a loan had been made but that he had obtained from his Ambassador in Paris information that a loan of at least one billion francs had actually been made. He was unable to give any particulars but thought the operation had been arranged through the Bank of France.

Ethiopia is now represented in Turkey by a Chargé d'Affaires who seems to be an intelligent young man and he had discussed with Dr. Aras the matter of Turkish military advisers for his country. Dr. Aras said that he had refused this request because Turkish advisers, even though they proceeded to Ethiopia voluntarily, would deprive Turkey of some measure of her influence at Geneva when the Ethiopian question next came up for discussion. The Ethiopians seemed to understand this point of view. Dr. Aras made the interesting statement to me that Italy is sounding other members of the League to consent to the expulsion of Ethiopia from that organization on the ground that she was not an organized state and therefore disqualified from membership. Turkey was definitely opposed to any such action and furthermore the League had provided no machinery for the expulsion of any of its members on any such grounds. Ethiopia had been regularly admitted and if there were powers that questioned her qualifications for membership they should have done so before she was in fact admitted. Furthermore there were other members of the League certainly no better organized or more abundantly qualified than Ethiopia which, at all events, was a completely independent power and had maintained its independence for centuries,

whereas Irak was of recent creation and doubtful independence and India did not even possess what the British call "dominion status."

I was interested to receive from Dr. Aras himself confirmation of the statement already made to the Department, that the Greek government during the late revolution applied to Yugoslavia and Turkey for assistance and received the promise of assistance in the way of military equipment. The Turkish government, he said, responded at once to the request of Premier Tsaldaris [18a] on the understanding that whatever was furnished should be purchased. As a matter of fact, nothing had been purchased because the insurrection itself had collapsed before anything could be done. He did not know precisely what the Greeks had desired to acquire. The assistance offered to the Greeks was not based upon any implied obligation arising under the Balkan Entente but was based purely on the ground of friendship. Dr. Aras thought that since the insurrection had been crushed the Greek government had proceeded without moderation and with very little capacity for conciliating the conflicting interests. Turkey had received Greek refugees after the defeat of the rebellion and had urged clemency for Messrs. Papanastassiou, Cafandaris, and others. Furthermore, Turkey, Rumania and Yugoslavia, all three, had joined in advising Greece not to raise the question of the régime for several years. Mr. Maximos, the Greek Foreign Minister, was a very reasonable man and desired to do his utmost to heal the wounds caused by the insurrection but the others were far less manageable. Dr. Aras spoke more generously of Mr. Venizelos [18b] than I had expected. He takes the charitable view that Mr. Venizelos did not start the insurrection and probably would have opposed it had he been in a position to do so; he felt that his friends had committed themselves in his absence and when it was too late for them to retreat he was moved by sentiments of loyalty to join with them. It might be a long time before Greece would recover her political equilibrium.

The large and active Chinese mission with a permanently installed Minister Extraordinary and Plenipotentiary now in Turkey has aroused a great deal of sympathetic feeling in Turkish circles. Dr. Aras was obviously flattered in his feelings as a Turk that this mission had come out for no other apparent purpose than to ascertain how Turkey had reorganized herself in the short period of 11 years. Dr. Aras has provided his Chinese friends with the secret: he recommends that as they cannot face the Japanese in a military sense they must simply yield to superior force, protesting all the time, and retire into the interior. Let them establish themselves at some definite point, making no effort to keep the whole Chinese Empire together,

[18a] Panayiotis Tsaldaris.
[18b] Eleftherios Venizelos.

but organizing such small territory as they can certainly control in the most efficient way and then, as a drop of oil slowly spreads in every direction, so also the Chinese power will spread over the whole of China no matter what the Japanese do or refrain from doing. It may take a very long time but it will work.

Our conversation terminated in a somewhat bantering tone with a short talk about Russia. I reminded Dr. Aras that Russia after all was a federated socialistic Republic and according to its system of government might take on Turkey some day as a very desirable addition. In a humorous way he denied that the Russian influence was making any headway in the sense of anything more than a good understanding to the advantage of both sides. The Turks were getting a good deal of material assistance from Russia and Russia was getting invaluable support from Turkey, so the accounts were even. There was no likelihood, and in fact no possibility, that the Sovietic principles of government would ever be adopted in Turkey, which was absolutely opposed to them and looked upon Russia as a foreign government just as she looked upon Germany and Italy as foreign governments, domestic systems not being matters with respect to which Turkey felt she had any concern whatever.

The Prime Minister and Dr. Aras are leaving today or tomorrow on a holiday trip to Van and other cities in Eastern Turkey. At least it is described as a strictly holiday excursion.

Respectfully yours, ROBERT P. SKINNER

767.68119/878

The Ambassador in Turkey (Skinner) to the Secretary of State

No. 695 ISTANBUL, July 3, 1935.
[Received July 20.]

SIR: At the extraordinary session of the Council of the League of Nations of April 15–17, 1935, Dr. Aras proclaimed the Turkish Government's belief that the demilitarized zones in Turkey are not in harmony with the military preparations threatened in Europe and that should there be a change in the situation established by existing treaties Turkey would be obliged to take appropriate measures for the defence of the Straits.[19] The Powers were not receptive and emphatically reminded Dr. Aras that the matter was not on the agenda of that particular meeting of the League Council. This is not the first time that Turkey's vivacious and peripatetic Foreign Minister has expressed such views. Early in May 1934, he told the Counselor

[19] See League of Nations, *Official Journal*, May 1935, pp. 562–563.

of the British Embassy that he was going to Geneva and if, as he fully expected, it became clear that the Powers would do nothing in the way of disarming he proposed to announce Turkey's intention of fortifying the Straits and doing away with the demilitarized zones. At about the same time the Minister spoke in similar terms to the French Ambassador who became somewhat agitated and sent an eleven-page telegram to his Government. The British Admiralty was also understood to have been upset upon hearing of Dr. Aras' remarks. Before actually leaving for Geneva in May, 1934, however, Dr. Aras spoke more reassuringly, but it was evident that his first statements reflected a thought which was developing in the minds of the Turkish leaders. In the past year this thought has been consolidated. The military temper and preparations in Europe have become more marked and in particular Turkey's fear of Italy has been given far more point by the latter's war preparations against Ethiopia. It is not surprising, therefore, that Dr. Aras has again talked at Geneva about the Straits and that the matter was considered at the May and June meetings of the Balkan Entente at Bucarest. On June 25th, Dr. Aras told me that everything that had been said by Turkey on this subject up to the present time was in the nature of exploration and that as yet Turkey's ideas had not been put in writing.

What are the causes of Turkey's desire to abolish the demilitarized zones and fortify the Straits? First and foremost should be mentioned the profound impression that the re-arming of Europe has made in Ankara. At the Ministry of Foreign Affairs at Ankara there is and has been for many months a conviction that when Germany has completed her military preparations there will be war in Europe, and that the possibility of war even sooner as a result of some assassination or other untoward incident is by no means to be excluded. The Turks point out that when they signed the Straits Convention on July 24, 1923, there appeared to be reason to believe that disarmament would be general and seriously carried out. Precisely the contrary has proved to be the reality. In other words, they picture the demilitarization provisions of the Straits Convention as essentially part of a general disarmament movement which has not been carried out. The contention that the Straits Convention was imposed on Turkey, as the Treaty of Versailles was imposed on Germany, is not put forward by Turkey. They state that the Convention embodies what they themselves wanted in 1923. They are perfectly aware of the contrast between the atmosphere of the Paris Conference in 1919 and that of the Lausanne Conference four years later. The circumstances under which the Straits Convention was negotiated are generally known and any failing memory could easily be supplemented by the

Lausanne Procès-Verbaux. What is really worrying the Turks is the defence of their territory first against Italian aggression, whether with or without Bulgarian support, and second, against the many unforeseeable threats which might arise from or in connection with a general European conflict. As previously stated the first of these dangers seems to the Turks more real every day as the Italian aggression against Ethiopia becomes more crudely obvious and the second, if more remote, is hardly less tangible. As for the protection of the Straits, provided for in Article 18 of the Straits Convention, with the examples of Corfu, China and now Ethiopia in mind, the Turks may perhaps be pardoned for preferring to rely upon their own military preparations rather than upon the quite unpredictable activities of Great Britain, France, Italy and Japan as agents of the Council of the League of Nations.

In putting forward the consideration of defence as the first reason of Turkey's attitude on the Straits question, I am not excluding other reasons. Turkey's feeling of prestige may be involved and demilitarization of certain Turkish territory by an international agreement may have come to be thought of as humiliating. It is true that from the outset Turkey has done everything possible to minimize the importance of the Straits Commission set up under the Convention, just as the Judicial Advisors provided for in the Lausanne settlement were assisted along the path of a pleasant but innocuous existence. But the importance of the prestige factor can be overemphasized.

It has been said that the Straits Convention does not prevent Turkey from defending the Straits. This statement cannot be accepted without reservation. It is true that with the present disposition of her armed forces just outside the demilitarized zones Turkish troops could reach the Straits within three or four hours and heavy mobile artillery could be placed in position probably within twelve hours. The question at issue is not between a defence of the Straits and no defence at all, but between a more effective and a less effective defence. The point will become clearer if the present disposition of Turkish forces near the Dardanelles and in Thrace is studied with the help of a map showing the demilitarized zones. That disposition, according to the Military Attaché, is as follows:

In the Dardanelles Area (Headquarters at Balikesir):

4th Division (at Edremid)	6000
11th Division (at Bursa)	6000
66th Straits Brigade (Ezine)	2000
2nd Mountain Brigade (Darica)	2000

In addition to the foregoing, there are 3000 gendarmes in the Çanak area—the equivalent of three picked regiments. Excluding the division at Bursa as being too far away, Turkey is now therefore in a

position to place 13,000 men on the Çanak side of the Straits in a few hours time.

In Thrace:

3rd Corps at Çorlu	
61st Division at Tekirdag	10000
(Troops at Çorlu, Tekirdag, Malkare and Kesan).	
Division at Lule Burgas	10000
(Troops at Vize, Lule Burgas and Baba Eski).	
Cavalry Division at Kirklareli	6000
Zone troops at Çatalca	6000

To the foregoing should be added the 1st Division at Istanbul and the 23rd Division at Ismit, each of 10,000 men.

It is significant that today two-thirds of the Turkish army is stationed at points west of Ankara, whereas a year ago the same proportion was stationed east of the capital. With the settlement of all questions at issue with Persia and the transfer of many Kurds to the west and south-west, the situation in the eastern vilayets has greatly changed. But more important than all else is Turkey's evident conviction that she has nothing to fear from the Soviets. Are we not justified in the view that this conviction was fully consolidated by the visit of Voroshiloff, Budeny and Soviet staff officers to Turkey in October and November 1933? It will be recalled that these two distinguished Soviet soldiers under the guidance of Turkish military leaders visited Izmir, Balikesir and the Straits region generally. It was shortly after this visit that the first Soviet mines began to arrive in Turkey.

The Turkish navy, as a whole, is hardly to be considered as an efficient fighting force. It has been found impossible to provide the kind of man needed for the yeoman class with the result that much of the work of warrant officers has to be handled by commissioned officers. The gunnery has been poor and the commanders of the new destroyers built in Italy have never felt sufficiently sure of themselves to hold full power trials. To the generalization as to inefficiency of the Turkish navy there is one important exception. The submarine service is first rate. It has been built up by a former German U.-Boat Commander. There are seven submarines of modern design and a submarine base in Artaki Bay. This force would play an important part in the defence of the Straits.

If the demilitarized zones were abolished what steps would the Turkish military leaders take to put the Straits in a better state of defence? The local press has recently furnished some information in this connection in reporting the approval of the Balkan Entente

of certain specific requests of the Turkish Government. That the approval of the Balkan Entente actually was given at the Bucarest meeting of June 20th, and that the requests as set forth in the press, while somewhat vague, nevertheless represent the Turkish position as it has so far been formulated, was confirmed to me by Dr. Aras on June 25th. The requests are the following:

1. The installation of a certain number of mobile artillery units.
2. The protection by mobile artillery of certain roads leading to the Dardanelles.
3. The installation of torpedo tubes along the shore.
4. The establishment at Çanakkale of two submarine bases with a certain number of submarines.
5. An aviation base and a base for hydroaeroplanes, presumably somewhere along the Straits.

With the possible exception of point 4 these requests cover approximately the field which any military observer might have anticipated. Presumably the forces now distributed between Balikesir and the neutral zone would be established in permanent barracks nearer the Straits; presumably also manoeuvres and target practice would be carried out reproducing as closely as possible the conditions of an enemy attack upon the Straits. In short, Turkey's ability to defend the Straits would be increased to an appreciable degree.

There have appeared in the press and elsewhere many statements to the general effect that Turkey has already violated the demilitarization provisions of the Straits Convention. There is no proof to warrant such statements and in the opinion of the foreign Military Attachés in Turkey they are false.

Turning now from the military to the political side, we are immediately confronted by a somewhat confused picture. Several months ago at Geneva Dr. Aras expressed a willingness to drop the matter of rearming the Straits if England would furnish a guarantee to protect the Straits in case of need. It is not entirely clear whether Dr. Aras had in mind that England would act alone or as the signatory of a Mediterranean pact which would include other Mediterranean countries, presumably Italy and France. Unless some one Power were clearly to assume responsibility for protecting the Straits in case of need it is not altogether clear what Turkey would secure that she has not already in large measure got under Article 18 of the Straits Convention. At any rate it is a fact that the British Government was not receptive to Dr. Aras' suggestion, on the theory apparently that they already had quite enough responsibilities in the international field. However, there is reason to believe that if Turkey should work out some kind of Mediterranean pact the British would be prepared to approve it publicly and thus give it a certain amount of moral support. Naturally, the British are sensitive to anything affecting the Straits.

A traditional attitude and a number of sore points are involved. Furthermore, the British, as Sir Percy Loraine recently told me, are fearful lest if the Turks are allowed to do away with the demilitarized zones, the Germans will raise the question of the demilitarization of the Rhineland and thus challenge not only the Versailles Treaty but the Locarno Pact as well. Presumably, the French have this possibility also in mind, although their attitude on the Straits question has been up to the present somewhat ambiguous. The Soviets are said to have been energetically pushing the Turks in the matter of doing away with the demilitarized zones and the Balkan Entente—Greece, Yugoslavia and Rumania—is also well disposed to the Turkish point of view.

Any change in the regime of the Straits is naturally of great interest to European diplomacy. Old sore points and new diplomatic combinations are very much affected. From the American point of view these are not matters with which we are directly concerned, although in so far as the rearming of the Straits is a phase of the rearming of Europe in general, we cannot but deplore it as a step in the wrong direction. It is hard to see, however, that we can do anything effective about it since Turkey can be influenced only by Powers willing to give some sort of undertaking to take military measures or at least to bring effective political pressure to bear. Our more tangible interest is in the freedom of navigation of the Straits. For the past eleven years even without any provision specifically applying to us the benefits of the Straits Convention, our shipping has received precisely as favorable a treatment as that of any other country. Should the demilitarized zones be abolished and Turkey take over unrestricted control of the Straits, I do not believe that freedom of navigation would in any way be affected in time of peace. In this respect at least, it would clearly not be in Turkey's interest to establish any regime less generous than that provided in the Straits Convention. In time of war, whether Turkey should be a neutral or a belligerent, we are perhaps justified in believing that a Turkey in unrestricted control of the Straits might not accord the same degree of liberty of navigation as that which is set forth in the Straits Convention. On the other hand, it is but fair to point out that the Straits Convention has not been tested out under war conditions, and that even under its terms Turkey, as a belligerent, is given "full power to take such measures as she may consider necessary to prevent enemy vessels from using the Straits", although these measures "are not to be of such a nature as to prevent the free passage of neutral vessels". Article 9 of the Convention is also interesting in this connection. What these provisions might be made to mean in practice we do not know.

From my recent talk with Dr. Aras it is clear that no sudden action will be taken by Turkey in the matter of arming the Straits. There

836401—53——72

will doubtless be conversations and negotiations. If, however, Turkey persists in her desire to do away with the demilitarized zones, it seems to me the obvious course for the Powers to follow would be to endeavor to draw as sharp a distinction as possible between the provisions of the Straits Convention having to do with demilitarization and those which deal with freedom of navigation. A serious effort should be made to induce the Turks to incorporate these latter provisions in a new multi-lateral treaty. I feel confident that the Turks would be entirely receptive to such an idea. In fact, Dr. Aras declared before the meeting of the Council at Geneva last April that such changes as Turkey might have to take to protect the Straits would not affect the freedom of the Straits in any way. The question before us Americans, therefore, will probably be something like this: are the demilitarized zones and the International Commission essential to the freedom of navigation of the Straits, or can the principle be satisfactorily safeguarded in other ways?

Respectfully yours, ROBERT P. SKINNER

767.68119/882

The Secretary of State to the Chargé in Turkey (Shaw)

No. 219 WASHINGTON, September 11, 1935.

SIR: Reference is made to the Embassy's despatch No. 695 of July 3, 1935 regarding Turkey's attitude towards the Straits Convention.

A copy of this despatch was transmitted to the Navy Department with the suggestion that any observation which that Department might care to make on the question would be welcomed.

This Department is now in receipt of a communication dated August 17, 1935, from the Navy Department setting forth its views on the subject. A copy of this communication is enclosed.

It will be noted that in its reply the Navy Department reaffirms its opinion that the freedom of navigation of the Straits by American vessels and aircraft can be safeguarded most satisfactorily by a separate formal agreement with Turkey. However, it would appear from the Embassy's recent reports on the subject that the Turkish Government would be unwilling to conclude such an agreement unless the United States consented to assume certain responsibilities for the defense of the Straits, a condition which is obviously unacceptable.

Under these circumstances, and also in view of the fact that the situation with reference to the Straits is susceptible of sudden change in the event that the Turks carry out their avowed intention of doing away with the demilitarized zones, the Department feels that this matter might be left in abeyance until such time as a more favorable opportunity for negotiation presents itself.

It would be helpful if the Embassy would continue to follow closely developments in this matter, in which connection the Department would welcome any suggestions which the Embassy may be in a position to make at any time.

An acknowledgment of this instruction is requested.

Very truly yours, For the Secretary of State:
R. WALTON MOORE

[Enclosure]

The Assistant Secretary of the Navy (Roosevelt) to the Secretary of State

WASHINGTON, August 17, 1935.

SIR: Acknowledgement is made of State Department letter of 26 July, file NE 767.68119/878,[20] together with its inclosure, copy of a dispatch dated 3 July from the Embassy at Istanbul.[21] The State Department letter requests any comments or observations which the Navy Department may care to make on the question of freedom of navigation of the Dardanelles Straits by American commercial vessels and aircraft and war vessels and aircraft.

Careful consideration has been given this question by the Navy Department. This has included a study of the present position by the General Board, whose reports on the same subject in 1931 were transmitted to the State Department as representing the views of the Navy Department at that time.

It is understood that the present situation differs from that considered in 1931 only in the suggested possibility that Turkey may determine upon a changed attitude toward the Straits Convention signed at Lausanne on 24 July 1934 [*1923*], may resume military occupation of the demilitarized zones provided for by the Convention, and may re-arm the Straits for their defense.

In the opinion of the Navy Department the freedom of navigation of the Straits by American vessels and aircraft can be safeguarded satisfactorily by separate formal agreement with Turkey, whether the Straits remain in a demilitarized status or under armed control by Turkey. This department therefore wishes to re-affirm its views as communicated to the State Department by its letter of 13 July 1931.[20] These views may be summarized by the following extracts from the reports of the General Board which accompanied the letter referred to:

(*a*) "that in any future treaty between Turkey and the United States, a provision similar to Article I of the Straits Convention or

[20] Not printed.
[21] *Ante*, p. 1034.

Article X of the Lausanne Treaty (between the United States and Turkey) [23] without any reference to the Straits Convention and providing for 'most favored nation' treatment, would be satisfactory".

(*b*) "that provision be made by some formal agreement, treaty or exchange of notes, for the right of vessels and aircraft, public and private, of the United States of America to navigate the Straits of the Dardanelles, the Sea of Marmora, and the Bosphorus on a basis of equality with similar vessels and aircraft of the most favored foreign nation; that the United States should not by any act or undertaking assist to perpetuate the Straits Commission; that if such a Commission is continued the United States should not have a representative on this Commission; and, that we should insist upon our right to deal directly with the Turkish government regarding the rules for navigation of the Straits".

Respectfully, H. L. ROOSEVELT

767.68119/888

The Ambassador in Turkey (Skinner) to the Secretary of State

No. 817 ANKARA, November 1, 1935.
[Received December 4.]

SIR: In the course of a long visit which I paid upon Dr. Tevfik Aras, the Minister for Foreign Affairs, today, the subject of the Straits Convention came up. Dr. Aras mentioned that the regime of the Straits was still much in the Turkish mind, that the Turkish position was now well known, and that official discussions might become active at no distant date. Nevertheless, it did seem to me that he was less disposed to pursue conversations with the European Powers at present than he had been when I last talked with him on this subject. No doubt, with so many urgent problems pressing for solution and when the guaranty of protection for the Straits from the signatory Powers of the treaty is not without practical value, he is not so unwilling to allow the existing regime to remain undisturbed, at least for the present. He mentioned himself that the United States was not a party to the existing treaty and when I slipped in a question about what might be his attitude if sometime we should feel an inclination to propose an individual treaty, he indicated that we would not be likely to have special difficulties if our desires, when formulated, were limited to free transit for our vessels in time of peace and war, on the same terms as those granted to other nations.

My suggestion to the Department is that nothing be attempted for the present, but that the subject be kept in mind, to be dealt with practically when it becomes evident that the Straits Convention is to be modified.

Respectfully yours, ROBERT P. SKINNER

[23] Signed August 6, 1923, *Foreign Relations*, 1923, vol. II, p. 1153.

POLICY OF THE DEPARTMENT OF STATE TO ENCOURAGE MULTILATERAL TRADE RATHER THAN TO ATTEMPT TO OVERCOME UNFAVORABLE BALANCE OF TRADE WITH TURKEY

811.516 Second Export-Import Bank /38

The Chief of the Division of Near Eastern Affairs (Murray) to the Ambassador in Turkey (Skinner)

WASHINGTON, March 4, 1935.

DEAR MR. AMBASSADOR: In your letter of December 14, 1934,[24] you gave us an account of the trade situation in Turkey in so far as the sale of certain American products is concerned and you raised the question as to whether there might be ways and means of obtaining better results than those you are now obtaining.

We have given your letter considerable thought and have discussed pretty thoroughly the points that you raised. I think I am correct in saying that it is our unanimous conclusion that there remains little that you can do to further American trade with Turkey. You have been most successful in opening the door for the entrance of American products by the various assurances you have received from the Turks that our commerce will receive no less favorable treatment than that accorded to other countries. You will, of course, wish to continue your efforts in this direction. If, in spite of the arrangements you have made, American concerns are still unable to do business either through lack of initiative or because their prices are higher or their credit terms less favorable than their competitors, I do not see that anything remains for the Embassy to do beyond continuing to see that American concerns have an opportunity equal to that of their competitors to sell their products in Turkey.

You mention the disadvantage of our attempting to enter clearing agreements because of our generally favorable export balance. The difficulty to which you refer is a most real one, as we have previously pointed out, and it would obviously be to our disadvantage to try to force countries such as Turkey to balance their trade with us if that would result in similar action being taken against us by those countries with which we have a favorable balance.

Moreover, the dollar balances which Turkey and a few other countries obtain in the United States, because of the export balance in their trade with the United States, perform a distinctly useful function. The fact that the Turks do not use those balances to purchase goods from us does not mean that we have lost in our export trade. On the contrary, those balances must ultimately be expended in the United States and the sales eventually made may be of more assistance to our national economy than the sales we might have made to Turkey.

[24] Not printed.

Let us take a concrete illustration. I think that we can safely assume that many of the dollars, which the Turks acquire through the sale to us of tobacco and other products, ultimately are turned over to Germany for the purchase of machinery and other products. Once German merchants obtain control of this dollar exchange they are enabled to purchase such raw products in this country as cotton, lard and pork. If by a clearing agreement or other device we forced the Turks to purchase goods from us, it follows that the Germans would purchase that much less. And I think you will agree that we face a greater problem in the sale abroad of our agricultural surplus than we do in the sale of automobiles and certain other manufactured products. In other words, the cotton which we sell to Germany is highly important in the general scheme of our national economy and we must necessarily avoid taking any steps which would harm such markets for our raw products.

Of course, the same reasoning applies in respect to other countries and other products. It is the general feeling throughout the Department that we must do all we can to further, rather than to restrict, triangular, or better multilateral, trade. Particularly must we avoid taking any steps toward forcing a balance in our trade with any particular country, for if such a method were generally employed we should undoubtedly end up with a total foreign trade much less than that obtaining under the present not altogether satisfactory conditions.

Sincerely yours, WALLACE MURRAY

611.6731/182

The Chief of the Division of Near Eastern Affairs (Murray) to the Secretary of State

[WASHINGTON,] March 8, 1935.

DEAR MR. SECRETARY: I think you will be interested in reading the following excerpt of a letter of February 8, 1935, addressed by the American Commercial Attaché at Istanbul[25] to Mr. Skinner, our Ambassador there, in which the Commercial Attaché takes issue with the Ambassador over the latter's view that it should be the business of Turkey, or any other country, "to buy from those who buy from her."

As you know, Turkey enjoys a considerably favorable balance in her trade with the United States due to our large purchases of Turkish tobacco. Both General Sherrill, our former Ambassador to Turkey, and Mr. Skinner have persistently urged upon us the desirability of bringing pressure on Turkey to utilize her dollar exchange balances by purchasing in the American market up to the amount of those balances. We have on various occasions pointed out to Mr. Skinner

[25] Julian E. Gillespie.

the disadvantages of entering into any bilateral agreement with Turkey along the above lines, in view of the state of our trade balance with some of our most important customers in Europe and elsewhere.

"I have noted with interest that you favor General Sherrill's view that it should be the business of Turkey or any other country to 'buy from those who bought from her.' Frankly, I do not agree with this idea and cannot share with you the acceptance of the principle of 'buy from those who buy from you,' as I believe it to be uneconomical and unsound. I take it for granted that it is generally accepted that to improve the world-wide economic and commercial depression it is desirable, if not necessary, to bring about an increase in international trade and commerce. The acceptance of the principle of 'buy from those who buy from you' seems to me to be a maxim which must eventually lead to trade isolation rather than to an increase in foreign trade. Such slogans as 'buy American goods,' or 'buy British goods,' or 'buy from those who buy from you' appear to me to be based on the idea of economic nationalism which carries with it the corollary of self-sufficiency. The various countries who have embarked or who have apparently embarked, upon a program of self-sufficiency by instituting various trade barriers such as high import duties, import quota restrictions, and exchange restrictions, and who have supplemented these high import tariffs and other restrictions to trade by special commercial agreements based on the principle of bi-lateral clearing and compensation accords have resorted to these measures with the idea of limiting their imports and 'forcing' the export of their raw materials and manufactured goods and so forth. In general it would appear that the motives impelling the imposition of import restrictions, and the considerations prompting the conclusion of commercial agreements and clearing accords based on the principle of compensation indicate a desire on the part of the nation concerned to maintain, and in fact to increase the volume of its foreign trade as a whole. It is my belief that the acceptance of the principle of 'buy from those who buy from you' and the negotiation of commercial agreements and clearing conventions based on the principle of bi-lateral trade balances, has been and is a serious deterrent to the restoration of international trade, and that the principle of reciprocal bi-lateral trade balances is unsound and inequitable.

"To illustrate my thoughts on this subject, I feel that trade between nations can be compared to commercial transactions between individuals. The idea and principle seems to me to be the same except that trade relations between nations is simply commercial transactions between individuals multiplied by a million, or two million or 100 million. If I was a butcher I do not see why I should be expected to buy my clothes from a tailor rather than from a department store simply because the tailor bought more meat from me than the owner of the department store, nor why if I was a butcher, I should call in a doctor or a dentist in whom I had no confidence simply because that particular doctor or dentist purchased my steaks or chops. It seems to me that this idea or principle of 'buy from those who bought from you' not only tends toward trade isolation but that it will actually prevent an increase in international trade, and will only result in a diversion of purchases from one country to another country and that in the final

analysis international trade relations will remain static, if not actually decrease.

"I think it is generally admitted by leading economists and experts in international trade and commerce that if the United States is to increase its exports it must increase its imports and purchases. Personally, I should dislike to see the principle of bi-lateral trade balances accepted or applied in connection with the trade relations between the United States and Turkey. It seems to me that this is a very dangerous principle to accept or to apply to Turkey. The total import and export trade of Turkey amounts to less than 1% of the total world trade and the share of the United States in the Turkish trade is extremely small, and as the balance of trade between Turkey and the United States is favorable to Turkey, we must not overlook the fact that the trade between the United States and Canada and the United Kingdom, and Japan and Germany and others are largely in favor of the United States. Personally, I am of the opinion that if Turkey should remove every trade restriction against the commerce of the United States, and impose no restrictions as to exchange and so forth, even in this preferred position we would not and we could not sell to Turkey at this time merchandise of the manufacture and origin of the United States in an amount equal to the value of our purchases from Turkey. I do believe, however, that we should continue our efforts to maintain the present volume of business that we are doing with Turkey and to make every possible effort to increase our sales to Turkey, and I think that you have made a very notable contribution to these objectives."

WALLACE MURRAY

APPLICATION WITH RESPECT TO TURKEY OF POLICY OF THE UNITED STATES NOT TO ENCOURAGE AMERICAN FIRMS IN THE SALE OF ARMS AND MUNITIONS OF WAR [26]

867.113 Jones and Lamson Machine Co./14

The Ambassador in Turkey (Skinner) to the Secretary of State

No. 514 ISTANBUL, January 9, 1935.
[Received February 2.]

SIR: I have received and read with special interest the Department's instruction No. 147, dated December 13, 1934, (867.602/167) [27] in regard to the practical impossibility of giving precision "to the meaning of the phrase arms and munitions." I appreciate the extreme difficulty of the Department in reaching a decision upon this point, and can only trust that by means of domestic legislation or treaty it may be possible eventually to determine what articles are to be considered as arms.

[26] Continued from *Foreign Relations*, 1934, vol. II, pp. 960–971.
[27] *Ibid.*, p. 970; now filed under 867.113 Jones & Lamson Machine Co./13.

In the meantime, unless otherwise instructed, I shall be guided in dealing with the interests of American manfacturers in contact with the Turkish Government by what I conceive to be proper in the circumstances. Thus, to take up the matter objectively, I now ascertain that the Export-Import Bank is preparing to give a five-year credit to the Caterpillar Tractor Company in order to enable that concern to sell a large number of tractors to the Turkish Government for army use. I assume that the Department is familiar with this matter and has reached the conclusion that as tractors are equally useful for peace purposes and war purposes, the sale may receive the financial support above mentioned. I should like to inquire whether the decision in the caterpillar tractor case has had any effect upon the attitude of the Department in regard to the proposed sale to the Turkish Government of machine tools by the Jones and Lamson Machine Company of Springfield, Vermont, respecting which a letter was addressed to Mr. George Peek on October 1, 1934 (867.602/161).[28] In that letter it was suggested that it would be undesirable to finance the transaction inasmuch as the machines were to be used for the repair and maintenance of artillery and small arms. In this connection it may be remarked that the machine tools in question could be used for purely peace purposes, as well, and if acquired probably would be to some extent.

It is most difficult to draw a hard and fast line in these matters because just as the machine tools are useful for the purpose of peace and war, so are tractors, the sale of which is being supported and which are to be built to army specifications with capacity for carrying twelve men and certain definite supplies. There is also the case of certain motor-cycles for army use, but I fear it is now too late for any American firm to reopen this matter.

I am aware that the Department is desirous of furthering exports of American manufactured goods by every legitimate means, and I wish to give support, where support is required, in suitable cases. As a rough and ready definition of what I am inclined to look upon as a suitable case, I would instance any articles of manufacture not being arms and munitions which had been produced and perfected for normal peace time purposes, which are commonly offered for sale in the principal industrial countries of the world, even when such articles are being contracted for by the military branch of the Government of the importing country.

I trust that in formulating the view just expressed I have correctly understood the attitude of the Department at this time, when a com-

[28] *Foreign Relations*, 1934, vol. II, p. 967; now filed under 867.113 Jones & Lamson Machine Co./4.

plete international agreement has not yet been obtained, and when a rigid attitude applicable to ourselves would merely result in the transfer of commercial orders to European countries who are not only willing but extremely desirous of selling everything and anything for which they can obtain reasonable assurance of payment.

Respectfully yours, ROBERT P. SKINNER

867.24/54

Memorandum by the Chief of the Division of Near Eastern Affairs (Murray)

[WASHINGTON,] January 11, 1935.

Mr. Edgar W. Smith, Vice President of the General Motors Export Company of New York City, came to see me this afternoon with regard to the question of furnishing the Turkish Government, for military purposes, with 900 trucks. The proposal involves about $1,000,000 worth of business. Mr. Smith told me that no definitive agreement in the matter had been reached with the Turkish Government since many phases of it had yet to be clarified. With regard to the financial aspects he stated that according to his understanding the Turks would be prepared to pay 20% in cash, the remainder of the payments to be spread over a five-year period and guaranteed by bonds issued by the Turkish Ministry of War. He said the proposal had been discussed with the Chase National Bank of New York, not with the idea of obtaining credits since he knew the bank would not be prepared to accord them for so extended a period, but merely to get their views as to the general practicability of the transaction. He said the Chase National Bank regarded the Turkish credit record as good.

Mr. Smith also informed me that he had discussed the matter with Major Hall of the Export-Import Bank and had been informed that the bank would probably be reluctant to accept Turkish bonds issued by the Ministry of War in case credits were requested of the bank. Mr. Hall apparently intimated that the bank would not be in a position to finance exports for military purposes.[29]

Mr. Smith stated quite frankly that his Company would like to get the business regardless of any policy considerations respecting the export of arms and munitions of war since the business would go to a rival of General Motors if they did not obtain it. When asked whether the Company itself would be able to finance the transaction he made reference to the General Motors Acceptance Corporation which would be in a position to perform services of this kind but

[29] See pp. 311 ff.

would prefer not to unless the Export-Import Bank was not willing to extend the necessary credit.

WALLACE MURRAY

867.24/56 : Telegram

The Ambassador in Turkey (Skinner) to the Secretary of State

ANKARA, January 14, 1935—noon.
[Received January 14—8 : 50 a.m.]

1. Government wishes to purchase Sperry antiaircraft searchlights to value of $700,000 provided Export and Import Bank will grant credit. It is believed that as credit operation no obstacles exist, Turkish Government seeks American lights and will certainly purchase elsewhere if unable to close with Sperry. Please cable whether nature of business will prevent Export and Import Bank from assisting.

SKINNER

867 24/56 : Telegram

The Secretary of State to the Ambassador in Turkey (Skinner)

WASHINGTON, January 15, 1935—6 p.m.

4. Your 1, January 14, noon. I should view with disfavor assistance by any agency of this Government in the financing of the sale of arms and implements of war to any foreign government.

HULL

867.248 Martin Co., Glenn L./18 : Telegram

The Ambassador in Turkey (Skinner) to the Secretary of State

ANKARA, February 21, 1935—noon.
[Received 1 : 40 p.m.]

5. Prime Minister requests me to state Turkish Government has arranged to buy 16 Martin bombers in the United States. Manufacturers are producing four bombers monthly but on account of War Department orders cannot undertake to deliver more than one monthly to Turkey beginning next year. Prime Minister expresses urgent hope that American Government will authorize manufacturers to deliver two bombers monthly to Turkey beginning in August. Knowing as I do that Turkish Government extremely anxious to obtain these deliveries I trust Department may be able to obtain prompt and favorable decision.

SKINNER

867.248 Martin Co., Glenn L./19 : Telegram

The Acting Secretary of State to the Ambassador in Turkey (Skinner)

WASHINGTON, February 23, 1935—3 p.m.

11. Your No. 5, February 21, noon. It is not the policy of this Government to encourage the export trade in arms and munitions of war. See circular instruction of December 7, 1932.[30]

Decisions in regard to the manufacture of military equipment manufactured according to specifications under the control of the War Department is a matter within the exclusive jurisdiction of the Secretary of War. I cannot with propriety volunteer advice to the Secretary of War in such a matter.

PHILLIPS

867.113 Jones and Lamson Machine Co./16

The Secretary of State to the Ambassador in Turkey (Skinner)

No. 169 WASHINGTON, March 18, 1935.

SIR: I refer to your despatch No. 514 of January 9, 1935, and previous correspondence, in regard to the exportation of arms and munitions to Turkey. I concur in your rough and ready definition of what are not arms and munitions of war. The approval and disapproval by the Department of the extension of credit by the Second Export Import Bank for the exportation of commodities purchased by foreign governments is not, however, based exclusively upon a decision as to whether those commodities are, strictly speaking, munitions of war. There is a question of broader political policy involved. I feel that even when commodities purchased by a foreign government do not fall within any recognized definition of arms and munitions of war, we should as a Government avoid assisting the financing of their exportation when there is danger that, in case of war, this Government could be justly criticized for assisting in the military preparation of one of the parties thereto.

As of interest in this connection, I enclose, for your information, a copy of a memorandum dated March 5, 1935,[31] which, after a discussion of the matter between officers of the Department and the Vice President of the Second Export Import Bank, was handed to the latter as an expression of the policy and desires of the Department in the premises.

Very truly yours, For the Secretary of State:
WILLIAM PHILLIPS

[30] Not printed.
[31] *Ante*, p. 313.

867.248 Martin Co., Glenn L./22

Memorandum by Mr. Henry S. Villard of the Division of Near Eastern Affairs

[WASHINGTON,] May 20, 1935.

Mr. Ibrahim Seyfullah, Secretary of the Turkish Embassy, came in today to discuss the desire of the Turkish Government to purchase a number of B 10 B Martin bombing planes from the Glenn L. Martin Company of Baltimore. Mr. Seyfullah said that the War Department had authorized the sale of these planes to foreign countries and that the Turkish Government had planned to start the purchase of twenty units from the Company beginning in August 1935, but it now appeared that the War Department was purchasing so many of the planes in question that deliveries could not begin on the date mentioned.

Mr. Seyfullah wished the Department to use its good offices in persuading the War Department to authorize the Glenn L. Martin Company to export at the earliest possible date the twenty planes which the Turkish Government intended to order. It was pointed out to him that the War Department had probably contracted with the Glenn L. Martin Company for its entire output of this type of plane and that only surplus units could be disposed of to foreign governments. It was also made clear that the State Department could not in any case "intervene" with the War Department to sacrifice its military program and release the Company from any obligations it might have to furnish the War Department with planes of this type.

I subsequently called up Colonel Burnett of the War Department and he confirmed our understanding of this matter. He said that a number of foreign countries besides Turkey had requested the War Department to release the Martin Company from its obligation to supply bombing planes to the United States Army, but that in each case the representative of the interested government had been informed that for the present the War Department was absorbing the entire output of Martin bombing planes. Colonel Burnett said that there was no telling when the Martin Company would be in a position to sell these bombing planes to foreign governments, but that it would be several months at least before this could occur.

I then called up Mr. Seyfullah and informed him as to the situation as outlined above.

REJECTION OF REQUEST OF THE TURKISH GOVERNMENT FOR ASSIGNMENT OF AN AMERICAN ARMY OFFICER AS INSTRUCTOR IN THE TURKISH AIR FORCES

867.20/57

The Turkish Embassy to the Department of State

The Turkish General Staff is desirous to invite as instructor to the Army Air School an experienced American General Staff Officer graduated from the Air Academy and capable to teach Tactics and Organization in Air Forces.

The Turkish Embassy would be much obliged to the State Department to intervene with the competent Authorities for this matter.

WASHINGTON, June 6, 1935.

867.20/58

Memorandum by the Chief of the Division of Near Eastern Affairs (Murray)

[WASHINGTON,] June 7, 1935.

The Turkish Ambassador called on me yesterday and left with me formal communications expressing the desire of his Government (1) to invite to the Army Air School in Turkey an experienced American General Staff officer capable of giving instruction in air tactics and organization, (2) to send to this country a Lieutenant or Captain of the Turkish Army for the purpose of studying anti-aircraft artillery in the United States Army, and (3) to send to this country an Army Physician for the purpose of studying the sanitary organization on surface and submarine war vessels.

I told the Ambassador that these matters would be taken up with the War Department, but I reminded him of the likelihood that it might not be possible to meet the requests of the Turkish Government in these matters, particularly in the case of requests numbered (2) and (3) above. I informed him that the Army has of late been obliged to turn down requests of this kind owing to its own increased needs.

As far as the detail of an American General Staff officer to give instruction in air tactics was concerned, I said I feared that such a procedure might not be possible in the case of an American Army officer in active service. I promised, however, to obtain the necessary information and to let him know.

WALLACE MURRAY

867.20/58

The Chief of the Division of Near Eastern Affairs (Murray) to the Turkish Ambassador (Münir)

WASHINGTON, June 24, 1935.

MY DEAR MR. AMBASSADOR: With reference to our conversation of June 6, 1935, and the memorandum which you left with me on that occasion, regarding the desire of the Turkish General Staff to invite to the Army Air School in Turkey an experienced American General Staff officer capable of giving instruction in air tactics and organization, the Department has been informed by the Chief of Staff of the United States Army that there is, unfortunately, no legal authority for compliance with such a request.

By an Act of Congress in 1926 the President was authorized to detail officers and enlisted men of the United States Army, Navy and Marine Corps to assist the governments of certain Latin-American republics in military and naval matters,[32] and recently this authorization was extended to include the Commonwealth of the Philippine Islands only.[33] It is regretted that under these circumstances the War Department is unable to make a favorable reply to the invitation of the Turkish General Staff.

I am [etc.] WALLACE MURRAY

REPRESENTATIONS BY THE TURKISH EMBASSY AGAINST FILMING THE NOVEL, "THE FORTY DAYS OF MUSA DAGH"

811.4061 Musa Dagh/25

The Turkish Ambassador (Münir) to the Secretary of State

WASHINGTON, September 5, 1935.
[Received September 13.]

EXCELLENCY: I have already had several occasions to discuss with the Department of State the projected filming of Franz Werfel's novel, "The Forty Days of Musa Dagh" by Metro-Goldwyn-Mayer Company of New York.

The representative of the said company upon the recommendations of the State Department came into contact with this Embassy to have the views of the Turkish Government on the matter. It was duly explained to them at that time that the fiction of Franz Werfel, presumably, influenced by Armenian circles, is full of arbitrary calumnies and contempt against the Turkish people and that the filming of such a story, besides giving an utterly false conception of Turkey to the American public, would greatly hurt the Turkish nation. It

[32] 44 Stat. 565.
[33] Act approved May 14, 1935; 49 Stat. 218.

was also made clear to the company that it would certainly not be of a nature to promote the existing friendly feelings between the two peoples.

The company, thereupon, had suggested to make some changes in the story with a view to neutralizing the objectionable features of the scenario. To that, the Embassy had observed that the whole story being written with a definite political purpose pervading it throughout, it would not be possible to change this character by any alteration. The representative of the company has, however, insisted that a trial examination of a draft scenario be made to ascertain the practicability of eventual suggestions. The Embassy has later on received the draft scenario, which it immediately submitted to the proper Departments in Turkey, who have attempted, to find the possibility of complying with the request of the company. However, the result of these attempts have been utterly negative, any alteration proving inefficient in erasing the original traits of the novel.

The Turkish Government, who has reasons to believe that this novel, if filmed, would not find a market either in Turkey or in several other European countries, feels sure that it will not also be looked upon sympathetically by the United States Government.

Having already communicated to the Metro-Goldwyn-Mayer Company the result, I have the honor of requesting your Excellency, upon the instruction of my Government, to kindly exert your high influence with a view to precluding the carrying out of this project which is so detrimental to the cordial feelings between the two peoples.

Accept [etc.] MAHMET MÜNIR

811.4061 Musa Dagh/28

The Secretary of State to the President of Motion Picture Producers and Distributors of America (Hays)

[WASHINGTON,] September 7, 1935.

MY DEAR MR. HAYS: With reference to my letter of November 19, 1934,[34] and to subsequent communications addressed to Colonel Herron,[35] concerning the proposed production of "The Forty Days of Musa Dagh" by the Metro-Goldwyn-Mayer Corporation, I wish to bring to your attention a Note which has just been received from the Turkish Ambassador.

The opinion is expressed in the Note that the production of the film would not promote the existing friendly feeling between the peoples of Turkey and the United States. In view of this fact I feel that it is

[34] Not printed.

[35] Frederick L. Herron, Foreign Manager of the Motion Picture Producers and Distributors of America, Inc.

my duty to bring the matter again before you and to solicit such assistance as you may be able to render in disposing of a question which appears to be assuming very large proportions in the minds of the officials at Ankara. Anything that you can do to meet this problem will be greatly appreciated by the Department. A copy of the Ambassador's Note is enclosed.[36]

I am informing the Turkish Ambassador that his Note is being brought to your attention and that I shall communicate with him again upon hearing from you.

Sincerely yours, For the Secretary of State:
WALLACE MURRAY
Chief, Division of Near Eastern Affairs

811.4061 Musa Dagh/27

The Secretary of State to the Turkish Ambassador (Münir)

The Secretary of State presents his compliments to His Excellency the Ambassador of Turkey and acknowledges the receipt of the Ambassador's note of September 5, 1935, relative to the question of the production of "Forty Days of Musa Dagh" by the Metro-Goldwyn-Mayer Corporation.

In conformity with the telephone conversation between the Second Secretary of the Embassy and the Chief of the Division of Near Eastern Affairs a copy of the Ambassador's note was communicated informally to the Honorable Will H. Hays, President of the Motion Picture Producers and Distributors of America, Inc. While the Department can of course assume no responsibility for the commitments of the Motion Picture Producers and Distributors of America, Inc., that organization has now informed the Department, with reference to the Ambassador's note of September 5, 1935, that "the script has not been finished and will not go into production without the approval of the Turkish Ambassador".

WASHINGTON, September 12, 1935.

811.4061 Musa Dagh/36

The Turkish Ambassador (Münir) to the Chief of the Division of Near Eastern Affairs (Murray)

WASHINGTON, October 4, 1935.

MY DEAR MR. MURRAY: A few days ago Mr. Orr of the Metro-Goldwyn-Mayer called on me at the Embassy to discuss the filming of the

[36] *Supra.*

Musa Dagh. As a result of our conversation he joined us to admit that the filming of this novel, whatever modifications it might be subjected to, could not but be harmful from every standpoint.

Consequently he declared that they would rather drop this scheme altogether.

I have already informed my government of the satisfactory result reached through the kind support of the State Department.

In this connection it is an agreeable duty for me to extend to you my best thanks and hearty appreciation for the efforts you have been so kind to exert in this matter without which the happy conclusion which has created an excellent impression in my country could not possibly have been attained.

Reiterating my gratitude [etc.] M. MÜNIR ERTEGÜN

INDEX

INDEX

Afghanistan:
 Provisional agreement with United States in regard to friendship and other matters, unsuccessful negotiations for, 555–564; draft text, 557–559
 Trade in and manufacture of arms, attitude, 37
African Exploration and Development Corp., 778–784
Agreements. *See* Trade agreements; Treaties, conventions, etc.
"Air Locarno, Western European", 16*n*, 54–55, 57–58, 190–191, 195, 240, 248, 261
Air transport service, trans-Atlantic, negotiations for establishment of, 510–519
Alien seamen, representations by foreign governments regarding U. S. Congressional bills for deportation of, 461–467
Aliens. *See* Alien seamen *and* Income tax in United States on non-resident aliens.
American States, Seventh International Conference at Montevideo (*1933*), resolution on the Roerich Pact, 502–503
Anglo-French London conversations, *Feb. 1–3*, 182, 186, 188–194, 201, 227
Anglo-German Naval Agreement, *June 18*, 162–169
 Information concerning, 54–55, 162–164
 London Naval Conference, relation, 72, 73, 74, 77–78, 83, 154, 160–161
 Views of Baltic States, 298, 304–305; France, 165–167; Soviet Union, 168–169; United States, 164–165, 167–168
Anti-Smuggling Act, cited, 434, 438
Arms and munitions (*see also* Disarmament Conference: Trade in and manufacture of arms; Munitions industry; *and under* Turkey): Smuggling into Cuba from Florida, 402, 405; unfavorable attitude of Department of State toward aid by U. S. agencies in financing sales to foreign governments, 311–315
Arms embargo. *See under* Ethiopian-Italian conflict: Neutrality laws of United States.
Arms Traffic Convention of *1925:*
 Allusions and citations, 18, 23, 319, 321, 341
 U. S. ratification: Negotiations with France relative to deposit of ratification, 455–460; reconsideration of reservation regarding the Persian Gulf, 453–455
Artistic and scientific institutions and historic monuments, treaty for protection of, question of adherence of European governments, 502–509
Austria: Independence, question of (*see also* Danubian Accord), 211, 212, 230, 231, 240–241, 247, 250, 261, 262–263, 271, 279, 283–284; rearmament, question of, 231, 248, 251
Aviation: Air Locarno, 16*n*, 54–55, 57–58, 190–191, 195, 240, 248, 261; Disarmament Conference discussions, 8–9, 13, 47, 59–60; Inter-departmental Committee on Civil International Aviation, 516, 517; sale of military planes to Greece, U. S. policy, 312–313; trans-Atlantic air transport service, negotiations for establishment of, 510–519

Bahamas and neighboring colonies: Cooperation with U. S. efforts to suppress liquor smuggling into United States, 424–426; narcotic drugs, alleged smuggling into United States from, 451
Bahrein, Islands of, 916
Balkan Entente: Attitude toward proposed Danubian Accord, 179–180; support of Turkish position regarding regime of the Straits, 1028, 1030–1031, 1037–1038, 1039
Baltic States:
 Attitude toward—
 Anglo-German Naval Agreement, 298, 304–305
 "Eastern Locarno" pact, 198–200, 232–239, 241–244, 275–276, 296–298, 299–306, 309–310
 Ethiopian-Italian conflict, 298–299
 German rearmament program, 238–239
 Foreign policy, 302–303
 Position in relation to general European situation, 274–277, 282, 299
 Soviet Union, relations with, 235–237, 239, 240, 241–244

Belgium: Egyptian reorganization of Municipality of Alexandria by unilateral action, Belgian attitude, 578, 579; extradition treaty with United States, supplementary, 520; Morocco, proposed modification of customs regime in French Zone, Belgian interest in, 961, 987–988; Roerich Pact, Belgian attitude, 503–504, 507–508; trade in and manufacture of arms, Belgian attitude, 37; U. S. efforts to suppress liquor smuggling into United States, negotiations in connection with, 414–415, 419–422, 426–427, 430, 430–434, 435, 439–441, 443; war debt to United States, question of tendering radium as payment on, 374–375, 377–380
Beneš, Eduard, observations on Ethiopian-Italian conflict, 653–654
Bermuda, cooperation with U. S. efforts to suppress liquor smuggling into United States, 399, 406, 416, 420–421, 424, 425
Boeing Aircraft Co., 312–313
Bombardment from the air. *See under* Ethiopian–Italian conflict: Protection.
Brazil, attitude toward League of Nations sanctions against Italy, 698, 838
Bulgaria, 231, 248

Canada: Trade in and manufacture of arms, Canadian attitude, 15, 47; trans-Atlantic air transport service, negotiations looking toward establishment of, 515–519; U. S. Congressional bills for deportation of certain alien seamen, representations regarding, 461–462; U. S. efforts to suppress liquor smuggling into United States, negotiations in connection with, 395, 396, 416, 421, 423–424, 428–429, 436, 437–438
Capitulations:
 Egypt, 566, 577–593, 851
 Morocco. *See under* Morocco: French Zone *and* Spanish Zone.
China: Attitude on trade in and manufacture of arms, 26, 37; Chinese mission to Turkey, 1033–1034
Civil International Aviation, Inter-departmental Committee on, 516, 517
Claims. *See* Morocco: Spanish Zone: Recognition by United States.
Clearing and Compensation Agreements, Joint Committee of League of Nations for the Study of, U. S. interest in work of, 529–535
Commercial Policy, Executive Committee on, 474–475
Commission on War Policies, 321, 322–323
Communism, 224, 226, 278
Conciliation. *See under* Ethiopian-Italian conflict.
Conferences:
 American States, Seventh International Conference at Montevideo (*1933*), resolution on Roerich Pact, 502–503
 Disarmament. *See* Disarmament Conference.
 Naval. *See* London Naval Conference.
Conventions. *See* Treaties, conventions, etc.
Cuba: Arms smuggling into Cuba from Florida, 402, 405; negotiations in connection with U. S. efforts to suppress liquor smuggling into United States, 390–394, 402, 404–405, 420
Czechoslovakia:
 Beneš, Eduard, observations on Ethiopian–Italian conflict, 653–654
 "Eastern Locarno" pact, attitude, 227
 Eden, Anthony, visit to Prague, 225–228, 228–229
 European political situation, 220–221, 225–228, 257, 271–272, 279–280, 282, 284–285, 297; mutual assistance pact with Soviet Union, 271–272, 279, 282, 297
 Extradition treaty with United States, supplementary, 520
 Trade in and manufacture of arms, attitude, 15, 26, 37, 40

Danubian Accord, proposed, 170–173, 177, 178, 179–180, 182–183, 186–187, 207, 261–263, 271, 284, 308, 630
Denmark: Morocco, proposed modification of customs regime in French Zone, Danish interest in, 979–980, 983–986; trade in and manufacture of arms, Danish attitude, 37; U. S. inquiry in connection with liquor smuggling into United States, Danish reply, 429; U. S. proposed shipping legislation, representations regarding, 468–469, 475–476
Disarmament Conference, 1–63
 Aviation, 8–9, 13, 47, 59–60
 Budgetary publicity in connection with trade in and manufacture of arms, 10–11, 13, 17, 22, 23, 24–25, 32–33, 41, 45, 46, 47, 56, 57–58
 Bureau of the Conference, question of reconvocation, 54–55, 61, 62
 Categories of arms, 7–8, 9, 31–32, 33–34
 Committee on Miscellaneous Provisions, 1*n*, 10, 17, 19, 37
 Declaration of intention as to arms programs, 8, 11–12
 European political situation, relation, 4, 5–6, 35–36, 37, 38, 48, 52, 58–59, 203, 211, 251–253, 257
 Inspection, 8–9, 13, 14, 21–22, 25–26, 28, 29–30, 31, 32, 33–35, 37, 39–40, 41, 44, 46, 47, 50, 56, 57–58, 60
 League of Nations Council meetings, 5–6, 35–36, 37

Disarmament Conference—Continued
London naval conversations, relation, 42, 43–44, 70
Naval construction, 36–37, 40, 42–44, 53–54
Permanent Disarmament Commission, 13, 14, 15, 19, 36, 45
Saar problem, 1, 4, 5
Trade in and manufacture of arms, proposed convention on:
Draft text submitted by U. S. delegation, *Nov. 20, 1934:*
Discussions prior to meeting of Special Committee, 6–12
First reading, report by American delegate, 46, 48–51
Negotiations during and concurrent with meeting of Special Committee, *Feb. 14–Apr. 13*, 12–47, 252–253; plans for later negotiations, 38–39, 46, 47, 50–53, 55–60, 61–62
Special Committee for the Trade in and Manufacture of Arms, meeting *Feb. 14–Apr. 13:*
Arrangements for meeting, 1–5
Negotiations based on U. S. draft. *See* Draft text, *supra.*
Résumé of Committee's work following adjournment, 48–52
Views of various countries: Afghanistan, 37; Belgium, 37; Canada, 15, 47; China, 26, 37; Czechoslovakia, 15, 26, 37, 40; Denmark, 37; France, 6–10, 10–12, 13, 14–15, 16, 17, 18, 20, 25, 34, 36-37, 39–40, 47, 49, 52; Iran, 37; Italy, 13, 16, 17–18, 30–31, 37, 40–41; Japan, 27–29, 46, 47; Poland, 26, 37, 40, 52; Soviet Union, 15, 19, 21, 26, 34, 37, 39, 47; Spain, 15, 26, 37, 47; Sweden, 15, 37, 47; Switzerland, 15, 37–38, 47; Turkey, 37, 40; United Kingdom, 13, 14, 16, 17, 19, 20, 25–26, 29–30, 32–33, 34–35, 37, 40, 42, 44–45, 47, 48–53, 55–56, 57–60; United States, 14, 21–24, 25, 26, 27, 28–29, 31–32, 35–36, 37, 38–39, 40, 41, 42–43, 48–51, 57, 59–60, 61–62; Yugoslavia, 37, 40
U. S. delegation office at Geneva, closing of, 62–63
Discrimination, U. S. representations against discriminatory passport regulations in Spanish Zone of Morocco, 1018–1025

"Eastern Locarno" pact, attitude of—
Baltic States, 198–200, 232–239, 241–244, 275–276, 296–298, 299–306, 309–310
Czechoslovakia, 227
France, 187, 191, 195, 260
Germany, 178, 183, 187, 209, 240–241, 244–246, 261, 263–264, 277, 290–291, 297–298, 306–308
"Eastern Locarno" pact, attitude of—Continued
Poland, 180–182, 197–198, 208, 220–222, 228
Soviet Union, 177, 191–192, 260, 284–285
United Kingdom, 186, 224, 247
Eden, Anthony, visits to European capitals, 195, 214–215, 222–229, 610, 724, 732
Egypt, 565–593
Alexandria, Municipality of, reorganization by unilateral action of Egyptian Government: Attitude of other powers and of commercial organizations, 577–580; U. S. reservation of rights, 580–584
American Consular Court at Cairo, official status, 565–567
Mixed Courts, Egyptian request to the powers concerning use of Arabic language and right of native judges to preside, 567–577
Information concerning request, and consideration by United States, 567–572
Replies by United States and other powers, 572, 573–575, 576*n*
U. S. acceptance of proposed amendment to existing Regulations for the Judicial Organization, 575–577
Sanctions against Italy by League of Nations, decision to participate in without regard to Italy's capitulatory privileges in Egypt, 584–593, 698; possible effect on capitulatory rights of American citizens, 586, 588–589, 590–591
Tax on securities of Egyptian Government deposited in United States, Egyptian inquiry and U. S. replies, 492–493, 494–495
Estonia. *See* Baltic States.
Ethiopian-Italian conflict, 594–908
Arms embargo, U. S. *See under* Neutrality laws, *infra.*
Conciliation efforts by League of Nations and by France and United Kingdom, *Jan.–Sept. 1935*, 594–662
Arbitral Commission under Italo-Ethiopian treaty of *1928*, 598–599, 601–692, 606–608, 609–610, 612, 613–615, 618–619, 620, 624, 628, 638; award, 641–643
Beneš, Eduard, observations, 653–654
Ethiopia: Appeals to League Council under the Covenant, 595–597, 599–600, 602–603, 608, 626; general attitude and development of policy, 621, 635, 646, 646–647, 656–661
France (*see also* Tripartite discussions, *infra*), views and suggestions, 610–611, 618–619, 632, 636, 644

Ethiopian-Italian conflict—Continued
Conciliation efforts—Continued
Italy (*see also* Tripartite discussions, *infra*): General policy and attitude, 595, 605–606, 615–616, 617–618, 620, 635–636, 644–646, 661–662; military preparations, 599, 600, 615, 647; Mussolini, determination and intransigent attitude, 613, 616, 622, 623, 630–631, 632, 633, 635, 647–648, 649, 652, 653, 658
League of Nations (*see also* Arbitral Commission, *supra*): Appeals by Ethiopia to the Council, 595–597, 599–600, 602–603, 608, 626; Committee of Five, 654, 655, 656–658, 661, 762, 763; Council meetings and private negotiations, 594, 603–605, 613, 618, 620–623, 643–646, 647–651; resolutions of *May 25*, 603–605, 621; sanctions, exploratory discussions, 633, 637, 638, 639, 648–649, 650–651, 652, 654, 662
Sanctions, discussions concerning, 633, 637, 638, 639, 648–649, 650–651, 652, 654, 662
Tripartite discussions in Paris (Italy, France, United Kingdom) under treaty of *1906*, 616–617, 619, 620, 625, 626–633, 638–639, 643–644, 646–647, 735–737, 743; failure, 632, 638
United Kingdom (*see also* Tripartite discussions, *supra*): Arms embargo, 617, 634, 637; general attitude and views, 596, 598, 612, 612–613, 616, 620, 633–634, 635, 636–638, 639–641, 644, 650–651, 654–656, 659; military forces in the Mediterranean, 638, 651, 659, 851–852
European political situation, relation, 177, 196, 283–284, 298–299, 308, 635–636, 680, 708, 711–712, 728, 749–751, 753–761
Historical background, résumé by Italian Ambassador in United States, 762–766
Hoare-Laval peace proposals. *See* Invasion of Ethiopia: British-French peace proposals, *infra*.
Invasion of Ethiopia by Italy, and efforts by League of Nations and by France and United Kingdom to end hostilities, *Oct.–Dec. 1935*, 662–723
Aggressive acts by Italy: Information concerning, 662–663, 663–664, 665, 666; military situation of Ethiopia, 689–694; withdrawal of diplomatic personnel and other nationals, 665–667, 670, 671–672, 675, 717–718

Ethiopian-Italian conflict—Continued
Invasion of Ethiopia by Italy—Con.
British-French peace proposals (Hoare-Laval plan), 699–701, 702–710, 712–717, 718–723, 874–875; Ethiopian rejection, 710, 715–716, 717, 718–722
British-French-Italian relations with respect to naval situation in the Mediterranean and other matters, 663, 676–680, 682–683, 708, 711–712
League of Nations (*see also* Sanctions, *infra*): Committee of Eighteen, 673, 681, 687, 688, 701, 702, 706–707; Coordination Committee (sanctions committee), 670–671, 673, 674, 678, 681, 686, 702; Council meetings, 664–665, 716; small powers, 678, 682, 683, 701–702, 707–708
Sanctions against Italy, League action: Application by member states, 670–671, 673–675, 675, 681–683, 687–688, 699–700, 708, 714–715; attitude of non-member states, 698–699, 838–839; Italian note of protest, *Nov. 11*, 684–687, 688–689; status of League sanction proposals as of *Dec. 9*, 695–699
Italian Ambassador in United States, personal views and observations, 762–766, 808–809
Kellogg Pact, question of invocation of:
British reservation to the Kellogg Pact, 770–772
Ethiopian proposal to United States:
Information concerning, 612, 615, 723–724, 726–727
U. S. attitude: Reply to Ethiopia, 724–726, 727–731; statements to the press by Secretary of State (*July 12*) and President Roosevelt (*Aug. 1*), 731–734
U. S. and British consideration of courses of action, 766–770, 772–778
U. S. statement to the press, *Sept. 12:* Recommendations for, 744–746; text, 746–749
League of Nations. *See* Sanctions, *infra; also under* Conciliation efforts *and* Invasion of Ethiopia by Italy, *supra*.
London naval conversations, relation, 75, 113
Mediation, Ethiopian inquiry as to U. S. willingness to mediate, and U. S. response, 744, 751–752, 761
Missionaries in Ethiopia, 733, 876–877, 877–878, 879–882, 884–885, 887–888, 904, 905

Ethiopian-Italian conflict—Continued
Neutrality laws of United States, application of, 784–836
Arms embargo proclamation (*Oct. 5*), 776, 777–778, 789–791, 795–799, 800, 801, 802–803, 804–805, 806–807, 810–812, 855–856; statement accompanying proclamation, text, 799
Ethiopian Red Cross, desire to obtain ambulance planes, U. S. position, 811–812
Existence of a state of war, consideration of question, 790–791, 792–795, 796, 797
Italian complaints and U. S. position, 822–833
Proclamations issued *Oct. 5*. *See* Arms embargo, *supra*, *and* Travel of American citizens, *infra*.
Sanctions, relation, 796, 797, 813–814, 814–818, 820, 821, 822, 823
Shipments of motor cars and other supplies to Ethiopia, Italian representations and U. S. attitude, 784–787, 788
Statements to the press by—
President Roosevelt: *Oct. 5*, 799; *Oct. 30*, 812–813
Secretary of State: *Oct. 10*, 803–804; *Oct. 30*, 813; *Nov. 15*, 819
Trading with belligerents: Case of the *Ulysses*, 819–820, 833–834, 835–836; statements of policy and application of, 803–804, 807–808, 812–813, 818–819, 820–821, 822, 826–827
Travel of American citizens on belligerent vessels, proclamation concerning (*Oct. 5*), 799–801, 803, 804, 805, 807, 814
U. S. over-all policy, and Italian complaints, 768, 770, 776–777, 801–802, 805–810, 821–833, 847, 853
Oil concession in Ethiopia. *See* Standard Vacuum Oil Co., *infra*.
Oil embargo. *See* Embargo *under* Sanctions: U. S. refusal to associate itself with, *infra*.
Open cities of Addis Ababa and Diredawa, 892–895
Protection of American and other foreign lives and property in Ethiopia, 876–908
"American Aid for Ethiopia", 896, 902
Bombardment from the air:
American hospital at Dessie affiliated with Ethiopian Red Cross, 896–908; summary of facts in case and U. S. conclusions, 903–905
Open cities, representations to Italy by United States and other countries, 892–895; Italian attitude, 895

Ethiopian-Italian conflict—Continued
Protection of American and other lives and property—Continued
Communications facilities between United States and Ethiopia, arrangements for maintenance of: U. S. discussions with France and with United Kingdom, 882–884, 885–887, 888–890; U. S. Navy Department, establishment of direct communications, 890–891
Evacuation: American nationals, 876–881; British and other foreigners, 877, 879–880, 882; U. S. policy in urging nationals to leave Ethiopia, 878, 880–881, 904
Measures taken upon outbreak of hostilities, 891–892
Missionaries, 876–877, 877–878, 879–882, 884–885, 887–888, 904, 905
Red Cross, 895–908 *passim*
Repatriation of indigent U. S. citizens, 877, 878–879
Red Cross activities, 811–812, 895–908 *passim*
Sanctions against Italy by League of Nations:
Egypt, participation in, 584–593, 698
Exploratory discussions, 633, 637, 638, 639, 648–649, 650–651, 652, 654, 662
League action following Italian invasion of Ethiopia: Application of sanctions by member states, 670–671, 673–675, 675, 681–683, 687–688, 699–700, 708, 714–715; attitude of nonmember states, 698–699, 838–839; Italian note of protest, *Nov. 11*, 684–687, 688–689; status of League sanction proposals as of *Dec. 9*, 695–699
U. S. neutrality laws, discussions concerning sanctions in relation to, 796, 797, 813–814, 814–818, 820, 821, 822, 823
U. S. refusal to associate itself with, 836–876
British trade concessions to Yugoslavia, and U. S. reservation of most-favored-nation rights, 875–876
Committee of Eighteen, 848–849, 857–858, 859, 860, 862–864, 865, 869, 874–875
Coordination Committee, 838–839, 840, 841–846, 849–850, 852–854, 858; U. S. communication of *Oct. 26*, 852–854
Embargo on oil, coal, iron, and steel, 854–857, 858–859, 863–864, 865–866, 871–873, 874–875

Ethiopian-Italian conflict—Continued
Sanctions against Italy—Continued
U. S. refusal, etc.—Continued
"Impartial observers", question of, 838
Publicity of American trade with belligerents, 857–858
U. S. discussions with the British, 864–867, 871–874; French, 839–841, 842; Italians, 850–852, 867–869
U. S. policy of independent action, explanations and reiteration of, 836–837, 846–848, 855, 859–862, 866–871, 872–874
Standard Vacuum Oil Co., cancellation of concession in Ethiopia upon advice of Department of State, 778–784; U. S. statements to the press in connection with, 780–781, 781–782
Trading with belligerents. *See under* Neutrality laws, *supra*.
Travel of American citizens on belligerent vessels, U. S. policy, 799–801, 803, 804, 805, 807, 814
Turkish Foreign Minister, observations, 1031–1033
U. S. Ambassador in Italy:
Observations on possibility of conflict between Italy and United Kingdom, 667–669
Suggestions for peaceful settlement of Ethiopian conflict, 749–751; presentation of ideas to Mussolini, 752–761
U. S. appeal to Italy for peaceful settlement, 735–744; Mussolini's response, 739–742
U. S. citizens. *See* Protection *and* Travel, *supra*.
U. S. policy and position. *See the following, supra*: Kellogg Pact, Mediation, Neutrality laws, Protection, Sanctions: U. S. refusal to associate itself with, *and* U. S. appeal to Italy.
U. S. statements to the press in connection with Ethiopian-Italian conflict, 731, 732–733, 746–749, 780–781, 781–782, 799, 803–804, 812–813, 819
Eupen-Malmédy, 185, 187
European political events (*see also specific subject headings*), 170–310
Analyses by U. S. diplomatic missions, reports from—
Czechoslovakia, 225–228
Disarmament Conference, American delegation, 202–204, 248–254, 259–260, 265–269, 285–288, 291–296
Estonia, 198–200, 241–244
France, 173–175, 182–185
European political events—Continued
Analyses, etc.—Continued
Geneva, U. S. Consul, 254–258
Germany, 178, 208–209, 244–246, 277, 280–283, 289–291, 306–308
Greece, 179–180
Italy, 170–171, 185–188, 211–216, 229–232, 240–241, 260–265
Latvia, 232–239, 273–277, 296–306, 309–310
Netherlands, 216–217
Poland, 171–173, 180–182, 197–198, 205–208, 217–225
Soviet Union, 176–178, 193–194, 240, 270–272, 278–280, 283–285
Turkey, 209–211; reply of State Department, 272–273
United Kingdom, 188–192, 194–196, 200–202, 228–229, 247–248; replies of State Department, 192–193, 204–205
Relation to—
Disarmament Conference, 203, 211, 251–253, 257
Ethiopian-Italian conflict, 177, 196, 283–284, 298–299, 308, 635–636, 680, 708, 711–712, 728, 749–751, 753–761
London Naval Conference, 72–73, 78
Turkey's efforts to secure revision of regime of the Straits, 1035–1036, 1039
U. S. attitude, 204–205, 272–273
Export-Import Bank, question of financing sales of war materials to foreign governments, 311–315, 768, 770, 1048, 1049, 1050
Extradition treaties, supplementary, between United States and certain other countries, citations to texts, 520

Far Eastern situation: British attitude, 71, 196; London Naval Conference, relation, 66, 71, 146, 153
Finland, 233, 235, 236
Finance Corporation of America. *See under* Liberia: Firestone agreements.
Firestone agreements. *See under* Liberia.
Ford Motor Co., sale of cars to Ethiopia, 784–786, 787, 788
France (*see also* Danubian Accord; Ethiopian-Italian conflict; Morocco: French Zone; Stresa Conference; *and under* London Naval Conference):
Anglo-French London conversations, *Feb. 1–3*, 182, 186, 188–194, 201, 227
Anglo-German Naval Agreement of *June 18*, French attitude, 165–167

France—Continued
Arms Traffic Convention of *1925*, U. S. negotiations with France relative to deposit of ratification, 455–460
Double taxation convention with United States, 184, 486, 490
"Eastern Locarno" pact, French attitude, 187, 191, 195, 260
Egypt: Desire for certain changes in organization and procedure of Mixed Courts, French attitude, 572, 576*n*; reorganization of Municipality of Alexandria by unilateral action, French attitude, 578, 579
Foreign policy, 180–181, 182, 200–201, 210, 257
German rearmament program, French attitude, 213–214, 245, 246, 247, 273–274
Italo-French conversations at Rome (Laval-Mussolini), *Jan. 3–7*, 170*n*, 173–175, 185, 189
Laval, Pierre, 170*n*, 173–175, 176, 178, 180–181, 182–185, 189, 278–280, 297, 301–302, 307
Loan to Italy, allegation concerning, 1032
Roerich Pact, French attitude, 503*n*, 509
Saar plebiscite, 1, 4, 5, 178, 183, 185–186, 188, 189
Simon, Sir John, visit to Paris, 195
Soviet Union, relations with: Laval-Litvinov protocol of *Dec. 5, 1934*, 176; Laval visit to Moscow, 278–280; miscellaneous, 176–177, 178, 183, 191–192; mutual assistance agreement of *May 2, 1935*, 259, 270–272, 274, 275–277, 282, 289–290, 294, 297, 301–302, 307
Trade, international, French recommendations in Second Committee of League of Nations, 521–522, 527–528
Trade in and manufacture of arms, proposals and views concerning, 6–10, 10–12, 13, 14–15, 16, 17, 18, 20, 25, 34, 36–37, 39–40, 47, 49, 52
Trans-Atlantic air transport service, negotiations looking toward establishment of, 510–515
U. S. efforts to suppress liquor smuggling into United States, negotiations in connection with, 398–399, 403–404, 412, 414, 416, 421
U. S. income tax on non-resident aliens, French representations and U. S. position, 483–485, 486
U. S. Senate Committee Investigating the Munitions Industry (Nye Committee), French representations regarding, 366–367, 369–370
General Motors Export Co., 1048–1049
Germany (*see also* Anglo-German Naval Agreement *and under* London Naval Conference):
Attitude toward—
Danubian Accord, proposed, 172, 178, 182–183, 187, 262–263
"Eastern Locarno" pact, 178, 183, 187, 209, 240–241, 244–246, 261, 263–264, 277, 290–291, 297–298, 306–308
Franco-Soviet pact of mutual assistance, 289–290
Roerich Pact, 503*n*, 508–509
Compulsory military service. *See* Rearmament program, *infra*.
Disarmament Conference, 6–7, 35–36
Foreign policy (*see also* Rearmament program, *infra*), 185–186, 208–209, 210, 211–212, 216, 217, 223–224, 246, 249–250, 255–256, 264, 277, 280–283
Hitler, Adolf, 195, 216–217, 223–224, 249–250, 281; speech of *May 21* to Reichstag, 280, 282–283, 292–293, 297, 304
League of Nations sanctions against Italy, German attitude, 651, 654, 698, 839
Rearmament program and reestablishment of compulsory military service:
Attitude of Baltic States, 238–239; France, 203, 213–214, 245, 246, 247, 273–274; Italy, 188, 213; Poland, 205–207, 208, 214, 217–220, 301; United Kingdom, 200, 201, 248, 253–254, 286–287; Yugoslavia, 214
Information and general comments, 6–7, 188, 200, 211, 212–213, 230, 255–258, 264
League of Nations Council meeting and condemnatory resolution, 35–36, 203–204, 206, 247, 253–258, 265, 267–269, 281, 282, 285, 296, 301; Committee of Thirteen, 285–288, 295
Saar plebiscite, 1, 4, 5, 178, 183, 185–186, 188, 189
Simon-Eden visit to Berlin, 194–196, 201–202, 211–212, 216–217, 225, 249–250
U. S. attitude toward Germany, 188
U. S. Congressional bills for deportation of certain alien seamen, German representations regarding, 464–465
Versailles Treaty, German unilateral repudiation of provisions of. *See* Rearmament program, *supra*.
War with Soviet Union, possibility of, 160
Great Britain. *See* United Kingdom.

Greece: Danubian Accord, Greek attitude, 179–180; desire to purchase military airplanes in United States, 312–313; Egyptian reorganization of Municipality of Alexandria by unilateral action, Greek attitude, 580; revolution in Greece, remarks of Turkish Foreign Minister concerning, 1033
Guatemala, negotiations in connection with U. S. efforts to suppress liquor smuggling into United States, 396–398, 401–402, 413–414, 416, 419, 421

Hague Convention of *1907*, cited, 18, 508, 827, 852
Hitler, Adolf. *See under* Germany.
Hoare–Laval peace proposals in connection with Ethiopian–Italian conflict, 699–701, 702–710, 712–717, 718–723, 874–875
Hull, Cordell (Secretary of State), statements to the press in connection with Ethiopian–Italian conflict, 731–732, 746–749, 780–781, 781–782, 803–804, 813, 819
Hungary, 231, 248, 251

Immigration Acts of *1917* and *1924*, cited, 464, 500–501
Imperial Airways, 511–512, 513–514, 518
Income tax in United States on nonresident aliens: Representations by certain foreign governments, and U. S. replies, 481–486, 489–495; State Department's suggestion to Congress of draft legislation to alleviate situation, 487–489
International Missionary Council, 884–885, 887–888
International Red Cross, 900, 901–902, 903–904, 905–908
Iran:
 Arms Traffic Convention of *1925*, U. S. reconsideration of reservation regarding the Persian Gulf, 453–455
 Coastal waters, Iranian attempt by unilateral action to extend exclusive jurisdiction beyond the three-mile limit, U. S. reservation of rights, 916–919
 Trade agreement with United States, preliminary discussions respecting, 909–915; statistics on U. S.–Iranian trade, 913–915
 Trade in and manufacture of arms, Iranian attitude, 37
Italy (*see also* Danubian Accord; Ethiopian–Italian conflict; Stresa Conference; *and under* London Naval Conference):
 Eden, Anthony, visit to Rome, 610, 724, 732
Italy—Continued
 Egypt: Desire for certain changes in organization and procedure of Mixed Courts, Italian attitude, 573–574; reorganization of Municipality of Alexandria by unilateral action, Italian attitude, 578, 579; sanctions against Italy without regard to Italy's capitulatory privileges in Egypt, 584–593
 Foreign policy, 210, 215, 257–258
 German rearmament program, Italian attitude, 188, 213
 Laval–Mussolini conversations at Rome, *Jan. 3–7*, 170*n*, 173–175, 185, 189
 Morocco, proposed modification of customs regime in French Zone, Italian interest in, 962–963, 964–965, 986–987
 Mussolini, Benito, 170*n*, 173–175, 185, 189, 195, 249, 251, 294, 613, 616, 622, 623, 630–631, 632, 633, 635, 647–648, 649, 652, 653, 658, 732, 735–736, 738, 739–742, 752–761, 865–866, 1032
 Opium Advisory Committee of League of Nations, Turkish–Italian proposals in connection with work of, 449
 Roerich Pact, Italian attitude, 503*n*, 505
 Social insurance regulations, cases involving question of application to employees of American Consulates, 550–553
 Trade in and manufacture of arms, Italian proposals and views, 13, 16, 17–18, 30–31, 37, 40–41
 United Kingdom, possibility of conflict with, 667–669, 708, 792–793, 805–807
 U. S. Congressional bills for deportation of certain alien seamen, Italian representations concerning, 463
 Vatican, 816–817

Japan (*see also under* London Naval Conference): Ethiopian–Italian conflict, Japanese attitude, 772, 793, 838–839, 845; European political situation, 271, 285; Moroccan trade, Japanese competition in, 952, 956, 958, 988, 990, 995, 996–997; Soviet views as to effect on Japan of Anglo–German Naval Agreement of *June 18*, 168–169; trade in and manufacture of arms, Japanese attitude, 27–29, 46, 47; war with United States, possibility of, 68, 161
Johnson Act, 768, 770, 851

Jones & Lamson Machine Co., 1046–1047, 1050

Kellogg Pact (*see also under* Ethiopian–Italian conflict), cited, 77, 805, 806, 828, 848, 849, 852–855, 872, 873

Latvia. *See* Baltic States.
Laval, Pierre. *See under* France.
Laval–Litvinov protocol of *Dec. 5, 1934*, 176
Laval–Mussolini conversations at Rome, *Jan. 3–7*, 170*n*, 173–175, 185, 189
League of Nations (*see also* Ethiopian–Italian conflict; *and under* Germany: Rearmament program): Covenant, cited, 287, 289–290, 825; disarmament matters, relation, 5–6, 35–36, 37; economic program adopted by Assembly, *Sept. 28*, approval by U. S. Secretary of State, 521–528; Joint Committee for the Study of Compensation and Clearing Agreements, U. S. interest in work of, 529–535; London Naval Conference, question of League observer, 142; Nansen International Office for Refugees, inquiry concerning possibility of settling refugees in United States, 496–501; opium and other dangerous drugs, U. S. attitude toward League activities in regulation of traffic in, 447–452; Turkish presentation of views regarding regime of the Straits, 1026–1027, 1034
Liberia, Administration of President Barclay, 920–950
 Barclay reform plan, relation to question of recognition. *See* Recognition, *infra*.
 Financial Adviser, designation of Charles I. McCaskey upon resignation of John Loomis, 947, 949–950
 Firestone agreements with Liberian Government:
 Finance Corporation of America, agreement supplementary to Loan Agreement of *1926*, text signed *Mar. 16*, 925–934; depositary agreement and escrow agreement between Liberian Government and Bank of Monrovia, 934–940
 Firestone Plantations Co., agreement amending Planting Agreement of *1926*, text signed *Mar. 20*, 940–943
 Ratification by Liberian Legislature, 947–948
 Kru problem, positions of United States and United Kingdom, 920–921, 922–923, 923–925, 944, 945, 946–947, 948
Liberia—Continued
 Recognition of Barclay Administration:
 U. S.–British discussions, 921–922, 923, 943–947; British decision to delay recognition pending settlement of Kru problem, 946–947, 948
 U. S. extension of recognition following Liberian fulfillment of certain conditions, 947–950
Liechtenstein, 699
Liquor smuggling into United States, U. S. efforts to suppress, 390–446
 Bahamas, Barbados, and British Honduras, 421–426
 Bermuda, 399, 406, 416, 420–421, 424, 425
 Mission of Comdr. B. M. Thompson, of Treasury Department, to Belgium and the Netherlands, 430–434, 435, 440, 441, 443, 444
 Negotiations with—
 Belgium, 414–415, 419–422, 426–427, 430, 430–434, 435, 439–441, 443
 Canada, 395, 396, 416, 421, 423–424, 428–429, 436, 437–438
 Cuba, 390–394, 402, 404–405, 420
 Denmark, 429
 France, 398–399, 403–404, 412, 414, 416, 421
 Guatemala, 396–398, 401–402, 413–414, 416, 419, 421
 Mexico, 415–418, 427–428
 Netherlands, 409, 430, 433–434, 444
 Norway, 422–423, 436–437, 441–442, 444–446
 United Kingdom, 395, 399–401, 405–409, 409–411, 415–416, 424–426, 434–435
 Newfoundland, 399–401, 406, 407, 408, 411, 415–416, 420
 St. Pierre-et-Miquelon, use as base for smuggling operations, 395–396, 398–399, 403–404, 412, 414, 416, 421, 444–445
 Thompson, Comdr. B. M. *See* Mission, *supra*.
 U. S. Treasury Department, activities (*see also* Mission of Comdr. B. M. Thompson, *supra*), 395–396, 403, 405–407, 409–411, 423–424, 426, 434–435, 436, 437–438, 445
Lithuania. *See* Baltic States.
Locarno Treaties of *1925*, cited, 270, 289–290, 307
London Naval Conference, 64–161
 Anglo-American exchange of views prior to Conference, 76–77, 80–87, 101, 107–125, 125–127, 132–134, 138–139, 143, 156–159
 Anglo-German Naval Agreement, *June 18*, relation, 72, 73, 74, 77–78, 83, 154, 160–161

London Naval Conference—Continued
Arrangements and preliminaries (*see also* Anglo-American exchange of views, *supra, and* Bilateral conversations, *infra*), 71–75, 78–79, 92–94, 115, 118, 135, 162–163
Bilateral conversations prior to Conference:
British desire for conversations with French, Italian, and Soviet Governments, 72, 76, 83–84, 84–85, 87, 88, 97, 98, 124–125, 129
British memorandum of *Aug. 2* to France and Italy:
Information concerning, 87–88, 90, 107–108
Replies and views of France, 94–96, 98, 99, 101, 102; Italy, 98, 101, 105–106; Japan, 99, 101–102, 102–103, 128–129; United States, 91–92, 97–98, 99–101, 103–105
Text, 88–90
Categories of ships, discussions concerning number, size, armament, and tonnage: Capital ships, 77, 86, 109–110, 111–112, 113, 114, 116–118, 119–120, 122, 123–124, 126, 127, 132, 145, 157; cruisers, 74, 77, 85–86, 114, 120, 126, 132–133, 145, 147, 149, 157–158; destroyers and submarines, 77, 86–87, 114, 120–121, 126–127, 133
European political situation, relation, 72–73, 78
Far Eastern situation, relation, 66, 71, 146, 153
Fortifications in the Pacific, 153
France (*see also* Bilateral conversations, *supra*), 117, 121, 135, 153, 157, 158
Germany: Anglo-German Naval Agreement, 72, 73, 74, 77–78, 83, 154, 160–161; building program, 75–76, 77–78, 83, 230, 272; position and question of participation in Conference, 66–67, 154, 159–161
Italy (*see also* Bilateral conversations, *supra*), 74–75, 117, 153, 157, 158
Japan: Attitude toward Germany and German participation in Conference, 78, 79; maintenance of position on parity and other matters, and attitude of U. S. and British Governments, 64–65, 67, 68–70, 77, 79–80, 87, 94, 98, 99, 101–102, 102–103, 122, 125, 128–129, 133–134, 136, 138–139, 140, 143, 145, 148–149, 155, 156–157, 158–159, 161; representation at Conference, 135, 141
London Naval Conference—Continued
League of Nations observer, question of, 142
1934 naval conversations, relation, 64–66, 76, 80, 81, 107, 118, 143
Opening of Conference, 159
Parity, 68, 69–70, 133, 134, 136, 138–139, 146, 150–151, 157
Political questions, relation, 66, 146, 152–153
Qualitative and quantitative limitation (*see also* Categories of ships, *supra*), 84–114 *passim*, 116, 122, 124, 128–129, 133–134, 140, 145–146, 151–152, 158
Ratio system, 67, 70, 80–82, 98, 138, 146, 147, 151, 158
Roosevelt, Franklin D.: Attitude on naval questions, 112–113, 145–148; U. S. representation at Conference by a special delegation, correspondence with Ambassador in United Kingdom concerning, 131–132, 134–138, 139–141, 143–144
Soviet Union, 71, 72–73, 83–84, 85, 87, 154
Submarine warfare (part IV of London Naval Treaty), 73, 122, 127, 154–155
U. S. participation:
Anglo-American exchange of views prior to Conference, 76–77, 80–87, 101, 107–125, 125–127, 132–134, 138–139, 143, 156–159
British invitation and U. S. acceptance, 129–131
Delegation: Instructions, 150–156; personnel, 144; question of representation by a special delegation, 131–132, 134–138, 139–141, 143–144
1934 naval conversations, relation, 64–66, 76, 80, 81, 107, 118, 143
Summary of U. S. position on naval questions and general policies, 144–156
Long, Breckinridge (Ambassador in Italy):
Observations on possible conflict between Italy and United Kingdom, 667–669, 792–793, 805–806
Suggestions for peaceful settlement of Ethiopian-Italian conflict, 749–751; conversation with Mussolini concerning, 752–761
Views on U. S. neutrality policy, 825–826
Luxembourg, supplementary extradition treaty with United States, 520

Martin Co., Glenn L., 1049–1050, 1051
Mediation, Ethiopian inquiry to United States relative to mediation in controversy with Italy, and U. S. response, 744, 751–752, 761

Memel, question of, 185, 187, 209, 210, 230, 231, 232, 250, 264, 275, 301, 305–306
Merchant Marine Act of *1920*, 468–480 *passim;* of *1936*, 479*n*
Metro-Goldwyn-Mayer Corp., 1053–1056
Mexico, negotiations in connection with U. S. efforts to suppress liquor smuggling into United States, 415–418, 427–428
Missionaries. *See under* Ethiopian–Italian conflict.
Missionary Council, International, 884–885, 887–888
Morocco, 951–1025
 Claims of American citizens. *See* Spanish Zone: Recognition, *infra.*
 French Zone:
 Capitulations, 1011–1012
 Customs Regime, French proposed modification of, 951–998
 Attitude and interest of—
 Belgium, 961, 987–988
 Denmark, 979–980, 983–986
 Italy, 962–963, 964–965, 986–987
 Netherlands, 952–953
 Spain, 1002, 1013
 United Kingdom, acceptance of proposal, and discussions with United States, 951–952, 953, 954–955, 963, 964, 967, 969, 988, 989–992, 993–998
 United States. *See* U. S. discussions with France, *infra.*
 Local opposition of trade organizations, 974–977
 Possibility of French abandonment of project, 977, 979, 980–981, 987–988, 989
 U. S. discussions with France: Informal discussions, with French explanation of position and details of new quota system, 955–962, 965–973, 977–978; protest against quota system, and French reply, 973–974, 978, 981–983, 989, 992–993; recapitulation, 983–986
 Treaty violations, French consideration of U. S. representations, 963–964
 Japanese competition in Moroccan trade, 952, 956, 958, 988, 990, 995, 996–997
 Spanish Zone:
 Capitulations, Spanish desire for abolition of: British position and exchange of views with United States, 955, 1005, 1014–1016; U. S. refusal to link question with settlement of claims, 1002, 1003, 1006–1007, 1011–1012, 1014–1015, 1016
Morocco—Continued
 Spanish Zone—Continued
 Claims of American citizens against Spanish Government, negotiations for settlement. *See* Recognition, *infra.*
 Passport regulations, discriminatory, U. S. representations based on treaty rights, and Spanish attitude, 1018–1025
 Recognition by United States in exchange for settlement of claims of American citizens, negotiations concerning, 998–1018
 Background and preliminary discussions, 998–1001
 Blake formula for recognition and settlement of claims: Analysis, clarification, and use as basis for U. S. negotiations with Spain, 1001–1005, 1005–1012, 1013–1014; Kettani claim, provision concerning, 1001, 1003, 1004, 1006, 1007, 1009–1010
 U. S. efforts to obtain action toward an agreement, and Spanish delay, 1012–1013, 1016–1018
 Treaties and agreements concerning Morocco, cited: Act of Algeciras (*1906*), 956, 964, 970, 979–980, 983, 992, 1013; Anglo-Moroccan treaty of *1856*, 951, 954–955, 993, 994, 1019, 1022, 1024; Franco-British accord of *1904*, 952, 953, 954; Franco-German treaty of *1911*, 980; Madrid Convention of *1880*, 983, 1024; Spanish treaty of *1861*, 993, 994; U. S.–Moroccan treaty of peace (*1836*), 970, 983
Most-favored-nation principle, negotiations between United States and Afghanistan, 555–564 *passim*
Motion Picture Producers and Distributors of America, Inc., 1054–1055
Munitions industry, activities of Senate (Nye) Committee in connection with, 316–373
 Investigation of industry, representations by France and United Kingdom, and U. S. replies, 335–336, 360–373
 Jurisdiction of Nye Committee, attitude of Senate Foreign Relations Committee, 324–325, 328–329, 330, 331–332, 339–340
 Legislation on neutrality and arms traffic control, cooperation of Department of State in preparation of, 316–359
 Arms traffic control, 316, 318–322, 325–327, 333–335, 336–339, 341, 343–345, 346–348, 350–353, 354–359; draft bill prepared by State Department, 336–339

Munitions industry—Continued
Legislation on neutrality—Continued
Foreign Relations Committee of Senate (*see also* Neutrality policy, *infra*): Attitude toward jurisdiction of Nye Committee, 324–325, 328–329, 330, 331–332, 339–340; revision of existing neutrality legislation, question of, 342, 343*n*, 345, 350
Neutrality policy of United States, 323–330, 331–332, 339–340, 342–350, 363, 364, 371–372; *S. J. Res. 173* (Neutrality Act, *Aug. 31*), 350–353, 356–359
War profits, question of, 316, 322–323, 324, 332–333, 363–364
Munitions of war. *See* Arms and munitions.
Mussolini, Benito. *See under* Italy.

Nansen International Office for Refugees, inquiry concerning possible settlement of refugees in United States, 496–501
Narcotic drugs, U. S. attitude with respect to League of Nations activities in regulation of traffic in, 447–452
Naval matters. *See* Anglo-German Naval Agreement; London Naval Conference; *and under* Disarmament Conference.
Netherlands: Morocco, proposed modification of customs regime in French Zone, Netherland interest in, 952–953; Roerich Pact, Netherland attitude, 503*n*, 505–506; U. S. Congressional bills for deportation of certain alien seamen, representations concerning, 463; U. S. efforts to suppress liquor smuggling into United States, negotiations in connection with, 409, 430, 433–434, 444; U. S. income tax on non-resident aliens, Netherland representations and U. S. position, 489–491
Neutrality, U. S. *See under* Ethiopian-Italian conflict *and* Munitions industry: Legislation.
Newfoundland: Cooperation with U. S. efforts to suppress liquor smuggling into United States, 399–401, 406, 407, 408, 411, 415–416, 420; sanctions against Italy, 698
Norway: U. S. Congressional bills for deportation of certain alien seamen, representations concerning, 462; U. S. efforts to suppress liquor smuggling into United States, negotiations in connection with, 422–423, 436–437, 441–442, 444–446; U. S. proposed shipping legislation, representations regarding, 470–471, 472–474, 476–477
Nye Committee. *See* Munitions industry.

Oil. *See under* Ethiopian-Italian conflict.
Open cities, 892–895
Opium and other dangerous drugs, U. S. attitude toward League of Nations activities in regulation of traffic in, 447–452

Panama, 699
Pan American Airways, 511–515, 518
Pan American Union, activities in connection with the Roerich Pact, 502–504, 506
Paraguay, 699
Passports, discriminatory regulations in Spanish Zone of Morocco, U. S. representations against, 1018–1025
Permanent Court of International Justice, U. S. Senate rejection of resolution for adherence to Statute of, 16, 383–389
Persia, 453–455
Pilsudski, Marshal, death of, 282, 303
Poland:
Attitude toward—
Danubian Accord, proposed, 171–173, 207, 271
"Eastern Locarno" pact, 180–182, 197–198, 208, 220–222, 228
German rearmament program, 205–207, 208, 214, 217–220
Trade in and manufacture of arms, 26, 37, 40, 52
Eden, Anthony, visit to Warsaw, 222–225, 226, 228
Extradition treaty with United States, supplementary, 520
Foreign policy, 207, 208, 211, 217–223, 226–227, 258, 282, 303–304
Non-aggression agreements with Germany (*1934*), and with Soviet Union (*1932*), cited, 208, 222
Pilsudski, Marshal, death of, 282, 303
Polish Corridor, 185, 187, 210, 211
Portugal, proposals from Pan American and Imperial Airways for trans-Atlantic air transport service, 511–512

Quotas. *See* Morocco: French Zone: Customs Regime.

Radio Corporation of America, 890
Radium, question of application on war debt payments to United States by Belgium, 374–375, 377–380
Rearmament of Austria, Hungary, and Bulgaria, question of, 231, 248, 251
Rearmament program of Germany. *See under* Germany.
Recognition. *See under* Liberia *and* Morocco: Spanish Zone.

Red Cross Convention of *July 27, 1929*, cited, 887–888, 906
Red Cross organizations, 811–812, 895–896, 899–900, 906–908
Refugees, inquiry by Nansen International Office for Refugees concerning possibility of settling refugees in United States, 496–499; U. S. position, 499–501
Revenue Acts, cited, 481–495 *passim*
Rickett oil concession in Ethiopia, 778–784
Roerich Pact, U. S. inquiries to European Governments regarding their possible adherence to, 502–509
Roosevelt, Franklin D. (*see also under* London Naval Conference):
 Armament inspection, comment on British attitude toward, 33
 Congressional bills for deportation of certain alien seamen, appointment of committee to consider points at issue, 466–467
 Ethiopian-Italian conflict:
 Proclamations under Neutrality Act. *See* Ethiopian–Italian conflict: Neutrality laws: Arms embargo *and* Travel of American citizens.
 Statements in connection with, 732–734, 799, 812–813
 Roerich Pact, issuance of full powers for signing convention on, 502, 503–504
 Ship subsidy legislation, attitude toward possible enactment, 479
 Stabilization plan, suggested, 375–376
 Suppression of liquor smuggling into United States, interest in efforts to secure British cooperation, 408
Rumania, 217–218, 284, 305
Russia. *See* Soviet Union.

Saar plebiscite, 1, 4, 5, 178, 183, 185–186, 188, 189
Sanctions. *See under* Ethiopian–Italian conflict.
Seamen's Union of America, International, 466
Shipping legislation, proposed, opposition of Department of State and of certain foreign governments, 468–480
Simon, Sir John. *See* United Kingdom: Simon–Eden visits.
Smuggling:
 Arms smuggling into Cuba from Florida, 402, 405
 Liquor smuggling into United States. *See* Liquor smuggling.
 Narcotic drugs, 451
Social insurance, non-applicability of foreign regulations to employees of American Consulates, 550–553
Socony Vacuum Oil Co., 641
Soviet Union:
 Attitude toward—
 Anglo-German Naval Agreement of *June 18*, 168–169
 "Eastern Locarno" pact, 177, 191–192, 260, 284–285
 Ethiopian–Italian conflict, 177, 283–284
 Turkey's desire for modification of regime of the Straits, 1027, 1028, 1029–1030, 1034, 1039
 Eden, Anthony, visit to Moscow, 195, 214–215, 225–226
 Foreign policy, 177, 193–194, 211, 215, 224, 235, 257, 271–272, 283–285
 London Naval Conference, question of participation in, 71, 72–73, 83–84, 85, 87, 154
 Relations with—
 Baltic States, 235–237, 239, 240, 241–244
 Czechoslovakia, mutual assistance pact, 271–272, 279, 282, 297
 France. *See under* France.
 Turkey, 1034, 1037
 Stalin, Joseph, 251, 278–279, 1030
Spain (*see also* Morocco: Spanish Zone): Roerich Pact, attitude toward, 503*n*, 504; trade in and manufacture of arms, views on, 15, 26, 37, 47
Standard Vacuum Oil Co., cancellation of concession in Ethiopia upon advice of Department of State, 778–784
St. Pierre-et-Miquelon, use as base for smuggling operations, 395–396, 398–399, 403–404, 412, 414, 416, 421, 444–445; U. S. assignment of a Vice Consul to St. Pierre-et-Miquelon, 396*n*
Straits Regime. *See under* Turkey.
Strassheim vs. *Daily*, case cited, 438
Stresa Conference (British, French, Italian Foreign Ministers, *Apr. 11–14*): Preliminary discussions and attitudes of the powers, 212, 213, 216, 221–222, 224–225, 229–232; results and accomplishments, 240, 244–248, 250, 253, 255, 256, 257–258, 259, 260–265, 267–268, 269, 281, 301, 306
Sudan, 699
Sweden: Trade in and manufacture of arms, views on, 15, 37–38, 47; U. S. Congressional bills for deportation of certain alien seamen, representations concerning, 461; U. S. income tax on non-resident aliens, Swedish representations and U. S. position, 491–492, 493–494; U. S. Neutrality Resolution, inquiry concerning, 352–353
Switzerland: Extradition treaty with United States, supplementary, 520; trade in and manufacture of arms, attitude, 37–38, 47

836401—53——74

Taxation. *See* Income tax.
Territorial waters: Iranian attempt to extend jurisdiction beyond the three-mile limit, 916–919; U. S. neutrality policy, 327, 348
Thompson, Comdr. B. M., mission to Belgium and the Netherlands, 430–434, 435, 440, 441, 443, 444
Three-mile limit, 916–919
Tin, question of application on war debt payments to United States by United Kingdom, 378–380, 380–382
Trade, international (*see also* Trade agreements), League of Nations activities: Economic program adopted *Sept. 28*, U. S. approval, 521–528; Joint Committee for the Study of Compensation and Clearing Agreements, U. S. interest in work of, 529–535
Trade agreements between United States and other countries:
Ethiopian–Italian war, effect on U. S. trade agreements program, 869
Iran, preliminary discussions respecting a trade agreement with United States, 909–915; statistics on U. S.–Iranian trade, 913–915
Standard General Provisions for inclusion in agreements negotiated under Act of *June 12, 1934*, text, 541–549
U. S. policy on generalization of tariff concessions, press statement of *Apr. 1*, text, 536–541
Trading with belligerents, U. S. policy. *See under* Ethiopian–Italian conflict: Neutrality laws.
Travel of American citizens on belligerent vessels, 323–324, 328, 349–350, 799–801, 803, 804, 805, 807, 814
Treaties, conventions, etc.:
Anglo–German Naval Agreement of *June 18*. *See* Anglo–German Naval Agreement.
Arms Traffic Convention of *1925*. *See* Arms Traffic Convention.
Double taxation treaty between United States and France (*1932*), cited, 184, 486, 490
Ethiopian situation:
Anglo–French–Italian treaty of *1906*. *See* Ethiopian–Italian conflict: Conciliation efforts: Tripartite discussions.
Italo-Ethiopian treaty of *1928*. *See* Ethiopian–Italian conflict: Conciliation efforts: Arbitral Commission.
U. S.–Italian treaty of *1871*, cited, 825, 826, 827, 828, 832–833
Extradition, supplementary treaties between United States and certain European countries, citations to texts, 520
Treaties, conventions, etc.—Continued
Franco–Soviet mutual assistance pact, *May 2, 1935*, 270–272, 274, 275–277, 282, 289–290, 294, 297, 301–302, 307
Hague Convention of *1907*, cited, 18, 508, 827, 852
Kellogg Pact (*see also under* Ethiopian–Italian conflict), 805, 806, 828, 848, 849, 852–855, 872, 873
Locarno Treaties of *1925*, cited, 270, 289–290, 307
Morocco. *See under* Morocco.
Red Cross Convention of *1929*, cited, 887–888, 906
Roerich Pact, U. S. inquiries to European countries regarding possible adherence to, 502–509
Straits Convention. *See* Turkey: Straits Regime.
U. S.–Bolivia, treaty of *1858*, cited, 24
U. S.–Ottoman Empire, commerce and navigation (*1830*), cited, 565–566
Washington and London Naval Treaties, naval conference in accordance with provisions of. *See* London Naval Conference.
Turkey, 1026–1056
Air Forces, U. S. rejection of Turkish request for an American officer as instructor, 1052–1053
Armed forces, disposition of, 1036–1037
Arms and munitions of war, application with respect to Turkey of U. S. policy not to encourage sales by American firms, 1046–1051
Danubian Accord, Turkish attitude, 177, 179–180
Ethiopian–Italian conflict, observations of Turkish Foreign Minister, 1031–1033
Forty Days of Musa Dagh, Turkish representations against proposed American filming of, 1053–1056
Opium Advisory Committee of League of Nations, Turkish–Italian proposals in connection with work of, 449
Soviet Union, Turkish views respecting, 1034, 1037
Straits Regime (Convention of *1923*), Turkish efforts to secure revision of, 1026–1042
Information on Turkish position, and attitude of Balkan Entente, Soviet Union, and United Kingdom, 1026–1039
Military aspects, 1029, 1035–1038
U. S. attitude and consideration of possible agreement with Turkey regarding American navigation rights, 1039–1042
Trade with United States, U. S. policy to encourage multilateral trade rather than to attempt to overcome unfavorable balance of trade with Turkey, 1043–1046

Ulysses, case of, 819–820, 833–834, 835–836
Union of South Africa, U. S. position as to non-applicability of social insurance regulations to employees of American Consulates, 550–553
Union of Soviet Socialist Republics. *See* Soviet Union.
United Kingdom (*see also* Anglo-German Naval Agreement; Ethiopian-Italian conflict; Liberia; Morocco; Stresa Conference; *and under* London Naval Conference):
Anglo-French London conversations, *Feb. 1–3*, 182, 186, 188–194, 201, 227
"Eastern Locarno" pact, British attitude, 186, 224, 247
Eden, Anthony, visits to Moscow, Warsaw, and Prague, 195, 214–215, 222–229; to Rome, 610, 724, 732
Egypt: Desire for certain changes in organization and procedure of Mixed Courts, British attitude, 573; reorganization of Municipality of Alexandria by unilateral action, British attitude, 579–580; sanctions against Italy, British position in connection with, 584–593
Elections, possible effect on British position at League of Nations, 845
Foreign policy, 200–203, 210, 225–226, 229, 247, 248, 253–254, 257, 259–260, 266–269, 295, 296
German rearmament program, British attitude, 200, 201, 248, 253–254, 286–287, 296
Italy, relations with: Alleged British pressure against Italy, 808–809, 834; Italian antagonism toward United Kingdom, 759, 814–815, 816, 818; possibility of conflict, 667–669, 708, 792–793, 805–807
Japanese trade rivalry, 952, 956, 958, 988, 990, 995, 996–997
Roerich Pact, British attitude, 503*n*, 504
Simon, Sir John. *See* Simon-Eden visits, *infra*.
Simon-Eden visits to Berlin, 194–196, 201–202, 211–212, 216–217, 225, 249–250; Moscow, 195, 214–215, 225–226; Paris, 195; Prague, 225–228, 228–229; Warsaw, 222–225, 226, 228
Trade, international, resolution submitted to Second Committee of League of Nations, 521–522
Trade in and manufacture of arms, British attitude, 13, 14, 16, 17, 19, 20, 25–26, 29–30, 32–33, 34–35, 37, 40, 42, 44–45, 47, 48–53, 55–56, 57–60
Trans-Atlantic air transport service, negotiations for establishment of, 510–519
United Kingdom—Continued
Turkish desire for modification of regime of the Straits, British attitude, 1029–1030, 1038–1039
U. S. Congressional bills for deportation of certain alien seamen, representations concerning, 462–463
U. S efforts to suppress liquor smuggling into United States, negotiations in connection with, 395, 399–401, 405–409, 409–411, 415–416, 424–426, 434–435
U. S. income tax on non-resident aliens, British representations and U. S. position, 481–483, 485–486
U. S. proposed shipping legislation, representations concerning, 471–472
U. S. Senate Committee Investigating the Munitions Industry (Nye Committee), British representations relative to, 360–363, 364–366, 367–368, 372–373
War debt to United States, question of payments in kind, 378–382
United States Shipping Board Bureau, 468–480 *passim*
United States vs. *Ford*, case cited, 438
U. S. citizens (*see also* Ethiopian-Italian conflict: Protection): Financial transactions with belligerent governments, 349; travel on belligerent vessels, 323–324, 328, 349–350, 799–801, 803, 804, 805, 807, 814
U. S. Congress:
Bills for deportation of certain alien seamen. *See* Alien seamen.
Bland Bill (Merchant Marine Act of *1936*), 479–480
House Committees: Foreign Affairs, 487–488; Hospitalization, subcommittee on, 377–378; Merchant Marine and Fisheries, 477–479
Senate advice and consent to ratification of Arms Traffic Convention of *1925*, information concerning reservations, 453–460
Senate Committees:
Commerce, 477*n*
Finance, 374–375
Foreign Relations (*see also under* Munitions industry: Legislation), 383–389
Immigration, 465
Interstate Commerce, 477*n*
Special Committee Investigating the Munitions Industry (Nye Committee). *See* Munitions industry.
Senate rejection of resolution for U. S. adherence to Statute of the Permanent Court of International Justice, 16, 383–389

U. S. Navy Department: Arrangements for direct communications between Addis Ababa and Washington during Ethiopian–Italian war, 890–891; opinion on principle of the three-mile limit, 918; views on freedom of navigation of the Dardanelles Straits, 1040–1042
U. S. Treasury Department: Activities in efforts to suppress liquor smuggling, 395–396, 403, 405–407, 409–411, 423–424, 426, 430–436, 437–438, 440, 441, 443, 444, 445; enforcement of income tax on non-resident aliens, 483–489; statement on non-taxation of income of foreign governments, 494

Vandenberg, Senator Arthur, interpretive reservation to Senate resolution of adherence to the World Court, 387–389
Vatican, 816–817
Visit and search on the high seas, 803, 804–805

Wallace, Henry A., 502, 503, 506*n*
War debt payments due the United States, 374–382
 Negotiations regarding question of payments in radium and in tin by Belgian and British Governments, respectively, 374–375, 377–382
 Stabilization suggestion by President Roosevelt, 375–376
 Treasury statements of amounts due, citation to texts, 374
War in Europe, possibility of, 209–211, 212, 215, 216, 224, 255, 256, 264–265, 266, 272–273, 292–293, 296, 627, 680, 712, 728, 769, 1035
War Policies Commission, 321, 322–323
War profits, U. S. consideration in connection with neutrality policy, 316, 322–323, 324, 332–333
"Western European Air Locarno" pact, 16*n*, 54–55, 57–58, 190–191, 195, 240, 248, 261
World Court, U. S. Senate rejection of resolution for adherence to Statute of, 16, 383–389; text of resolution, 383*n*–384*n*

Yugoslavia, 37, 40, 177, 214, 875–876

U. S. GOVERNMENT PRINTING OFFICE: 1988

PROPERTY OF UNIVERSITY
OF WASHINGTON LIBRARIES
GRADUATE READING ROOM
NON-CIRCULATING

2 996